DRAFT RED HERRING PROSPECTUS
Dated: March 5, 2018
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Offer

DEVI SEAFOODS LIMITED

Our Company was incorporated as Devi Sea Foods Private Limited on March 26, 1992, at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company became a deemed public limited company under Section 43A(1A) of the Companies Act, 1956 with effect from June 30, 1995, and the word "private" was struck off from the name of our Company pursuant to the Company's intimation letter dated January 1, 1998. Pursuant to our Company passing a resolution under Sections 31 and 44 of the Companies Act, 1956 on January 27, 1998, our Company was registered as a public limited company and the Registrar of Companies, Andhra Pradesh, situated at Hyderabad issued a fresh certificate of incorporation dated March 19, 1998, consequent upon conversion, recording the change of our Company's name to 'Devi Sea Foods Limited'. For details in relation to the change in the name, and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 145.

Registered Office: No. 50-1-51/1, A.S.R. Nagar, Seethammadhara, Visakhapatnam – 530 013, Andhra Pradesh, India; **Tel:** +91 891 2525 337; **Fax:** +91 891 2563 828
Contact Person: Manas Ranjan Panigrahi, Company Secretary and Compliance Officer
E-mail: info@deviseafoods.com; **Website:** www.deviseafoods.com
Corporate Identity Number: U15122AP1992PLC094924

PROMOTERS OF OUR COMPANY: P. BRAHMANANDAM AND P. SURYAVATHI

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF DEVI SEAFOODS LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹9,000 MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES BY P. BRAHMANANDAM AND P. SURYAVATHI, OUR PROMOTERS, AND P. RAMA DEVI AND N. NAVEENA, MEMBERS OF OUR PROMOTER GROUP (THE "SELLING SHAREHOLDERS"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING 5% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY AND SELLING SHAREHOLDERS MAY IN CONSULTATION WITH THE LEAD MANAGERS OFFER A DISCOUNT TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT") AND TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "EMPLOYEE DISCOUNT") IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

THE FACE VALUE OF EQUITY SHARES IS ₹2 EACH. THE PRICE BAND, THE AMOUNT OF RETAIL DISCOUNT, IF ANY, MINIMUM BID LOT AND THE EMPLOYEE DISCOUNT, IF ANY, WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS IN CONSULTATION WITH THE LEAD MANAGERS AND WILL BE ADVERTISED IN: (I) ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●] (II) ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●], AND (III) [●] EDITION OF THE TELUGU NEWSPAPER, [●] (TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.*

** Retail Discount of ₹ [●] to the Offer Price may be offered to Retail Individual Bidders and an Employee Discount of ₹[●] to the Offer Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.*

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

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), and in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), the Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion, the "**QIB Portion**"), provided that our Company and the Selling Shareholders, in consultation with the Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 348.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and Selling Shareholders in consultation with the Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for the Offer Price*" on page 87) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company 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 the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in respect of this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), and the SEBI does not 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 16.

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 the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission, or inclusion, of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for, and confirms, only to the extent of the information in the statements specifically confirmed or undertaken by such Selling Shareholder and the Equity Shares offered by such Selling Shareholder in this Draft Red Herring Prospectus is true and correct in all material aspects and is 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 an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, Andhra Pradesh and Telangana located at Hyderabad (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 446.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	ICICI Securities	kotak Investment Banking	KARVY Computershare
Axis Capital Limited 1st Floor, Axis House, C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai - 400 025 Maharashtra, India Tel: +91 22 4325 2183 Fax: +91 22 4325 3000 E-mail: dsfl@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Ankit Bhatia SEBI Registration No: INM000012029	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg Churchgate, Mumbai - 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: deviseafoods.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Shekher Asnani / Prem D'cunha SEBI Registration No.: INM000011179	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai - 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: + 91 22 6713 2447 E-mail: dsfl.ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot No. 31-32 Gachibowli, Financial District Nankramguda, Hyderabad -500 032 Telangana, India Tel: +91 4067162222 Fax: +91 4023431551 E-mail: einward.ris@karvy.com Investor grievance e-mail: deviseafoods.ipo@karvy.com Website: www.karvycomputershare.com Contact Person: Murali Krishna M. SEBI Registration No.: INR000000221

BID/ OFFER PROGRAMME

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

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

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

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. If there is 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.

Notwithstanding the foregoing, the terms not defined but used in "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" on pages 90, 174, 316 and 394, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company" or "the Company"	Devi Sea Foods Limited, a public limited company incorporated under the Companies Act, 1956
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiary

Company and Selling Shareholders Related Terms

Term	Description
Articles of Association or AoA	Articles of Association of our Company
Associate or "our Associate"	Maximus ARC Limited
Audit Committee	The audit committee of the Board described in "*Our Management*" on page 152
Auditors	The statutory auditors of our Company, being J V S L & Associates
Board or Board of Directors	Board of directors of our Company including a duly constituted committee thereof
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board described in "*Our Management*" on page 152
Devi-1	Shrimp processing facility located at Singarayakonda, Prakasam District, Andhra Pradesh, India
Devi-2	Shrimp processing facility located at Tanuku, Andhra Pradesh, India
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹2 each
Independent Directors	Independent directors of our Company
IPO Committee	The IPO committee constituted by our Board, as described in "*Our Management*" on page 152
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" on page 152
Memorandum of Association or MoA	Memorandum of Association of our Company
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board described in "*Our Management*" on page 152
Promoters	P. Brahmanandam and P. Suryavathi
Promoter Group	Persons and entities constituting the promoter group of our Company. For details of our Promoter Group, see "*Our Promoters and Promoter Group*" on page 167
Registered Office	Registered office of our Company located at No. 50-1-51/1, A.S.R. Nagar, Seethammadhara, Visakhapatnam – 530 013, Andhra Pradesh, India
Registrar of Companies or RoC	Registrar of Companies, Andhra Pradesh and Telangana, located at Hyderabad
Restated Consolidated Financial Statements	The audited and restated consolidated financial statements of our Company, along with our Subsidiary and Associate for the nine months ended December 31, 2017 and the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (presented in accordance with Ind AS); which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and

Term	Description
	loss, the restated consolidated cash flow statement and the restated consolidated statement of change in equity and notes thereto
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The audited and restated standalone financial statements of our Company for the nine months ended December 31, 2017 and the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (presented in accordance with Ind AS) which comprises the restated standalone balance sheet, the restated standalone statement of profit and loss, the restated standalone cash flow statement and the restated standalone statement of change in equity and notes thereto
Shareholders	Shareholders of our Company who hold Equity Shares from time to time
Selling Shareholders	Our Promoters, and members of our Promoter Group, P. Rama Devi and N. Naveena
Subsidiary/ Devi USA	Devi Sea Foods Inc.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board described in "*Our Management*" on page 152
Whole-time Directors	Whole-time directors of our Company

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot, Allotment or Allotted	Unless the context otherwise requires, transfer of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and 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 the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, and the Selling Shareholders in consultation with the Lead Managers
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 Bid/Offer Period	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 final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion, or [●] Equity Shares which may be allocated by our Company and Selling Shareholders, in consultation with the Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Escrow Collection Bank, Refund Bank and Public Offer Account Bank

Term	Description
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For further details, see "*Offer Procedure*" on page 348
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid, for Retail Individual Bidders, less Retail Discount and for Eligible Employees, less Employee Discount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper, [●], all editions of the Hindi national newspaper, [●] and [●] edition of the Telugu newspaper, [●] (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation. Our Company and the Selling Shareholders, in consultation with the Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
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 all editions of the English national newspaper, [●], all editions of the Hindi national newspaper, [●] and [●] edition of the Telugu newspaper, [●] (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation
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
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, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
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 Managers or BRLMs or Lead Managers	The book running lead managers to the Offer namely, Axis, I-SEC and Kotak
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
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
Cash Escrow Agreement	The cash escrow agreement to be entered into between our Company, the Selling Shareholders, the Lead Managers, the Registrar to the Offer, the Escrow Collection Bank, the Refund Bank, Public Offer Account Bank and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure ASBA Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Confirmation of Allocation Note or CAN	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
Cut-off Price	The Offer Price finalised by our Company and the Selling Shareholders in consultation with the Lead Managers. Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, as updated 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 CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC
Designated Intermediaries	The members of the Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 5, 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 Employees	All or any of the following: (a) a permanent and full time employee of our Company, who is a resident Indian or an Eligible NRI investing in the Offer pursuant to Schedule 4 of the FEMA Regulations (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who has been an employee of the Company for a period of six months prior to the date of filing this Draft Red Herring Prospectus and who continues to be an employee of our Company until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, who is a resident Indian or an Eligible NRI investing in the Offer pursuant to Schedule 4 of the FEMA Regulations (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any Promoter) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee' The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (which will be less the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation

Term	Description
	Portion shall not exceed ₹200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount)
Eligible NRI	NRI eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, 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
Employee Discount	A discount of ₹[●] to the Offer Price that may be offered to the Eligible Employees bidding in the Employee Reservation Portion, by our Company and Selling Shareholders in consultation with the Lead Managers, at the time of making a Bid
Employee Reservation Portion	The portion of the Offer, being [●] Equity Shares aggregating to ₹[●] million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	'No-lien' and 'non-interest bearing' account opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH equivalent to Bid Amount when submitting a Bid
Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being [●]
First 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 also appears 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
General Information Document/GID	The General Information Document for investing in public issues, prepared and issued in accordance with circular number CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI. For further details, see "*Offer Procedure*" on page 348
I-SEC	ICICI Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Non-Institutional Bidders / NIIs	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion 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 Portion	The portion of the Offer being not less than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FVCIs and FPIs
Non-Resident Indians	A non-resident Indian as defined under the FEMA Regulations
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating up to ₹9,000 million The Offer comprises Net Offer to the public of [●] Equity Shares aggregating up to ₹[●] million and the Employee Reservation Portion of [●] Equity Shares aggregating up to ₹[●] million for purchase by Eligible Employees
Offer Agreement	The agreement dated March 5, 2018 entered into between our Company, the Selling Shareholders and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. Employee Discount of ₹[●] per Equity Share on the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion.

Term	Description
	A Retail Discount of ₹[●] per Equity Share on the Offer Price may be offered to Retail Individual Bidders The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Price Band	The price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and Selling Shareholders in consultation with the Lead Managers and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper, [●], all editions of the Hindi national newspaper, [●] and [●] edition of the Telugu newspaper, [●] (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation
Pricing Date	The date on which our Company and Selling Shareholders in consultation with the Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	'No-lien' and 'non-interest bearing' account opened, in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank(s) with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors) subject to valid Bids being received at or above the Offer Price. Our Company and Selling Shareholders in consultation with the Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis subject to valid Bids being received at or above the Anchor Investor Allocation Price
QIBs / QIB Bidders / Qualified Institutional Buyers	The qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which 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. 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
Refund Account(s)	'No-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	[●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated February 28, 2018, entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Discount	A discount of ₹[●] to the Offer Price that may be offered to the Retail Individual Bidders by our Company and Selling Shareholders in consultation with the Lead Managers, at the time of making a Bid
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Resident Indian individual Bidders submitting Bids other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta) and Eligible NRIs

Term	Description
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer comprising [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). 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 Bid/Offer Closing Date.
RTAs / Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
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=34 as updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, and as updated from time to time
Syndicate / Members of the Syndicate	The Lead Managers and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into between our Company, the Selling Shareholders and the Members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	Lead Managers and Syndicate Members
Underwriting Agreement	The underwriting agreement to be entered into between our Company, the Selling Shareholders and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
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; (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges. "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
AUC	Area under cultivation
BAP	Best Aquaculture Practices developed by GAA
BRC	British Retail Consortium
Coastal Aquaculture Authority	Coastal Aquaculture Authority under the Coastal Aquaculture Authority Act, 2005
CRISIL Report	Report on "Shrimp processing and feed industry in India" dated February 2018 prepared by CRISIL Research
CRISIL Research	A division of CRISIL Limited
CRZ	Coastal Regulation Zones

Term	Description
CRZ Notification	Coastal Regulation Zone Notification, dated January 6, 2011
EMS	Early mortality syndrome
Fisheries Policy	Fisheries Policy 2015-2020- Government of Andhra Pradesh, Fisheries Department
Food Authority	Food Safety and Standards Authority of India
FSSA	Food Safety and Standards Act, 2006
FSSR	Food Safety and Standards Rules, 2011
FTA	Foreign Trade (Development and Regulation) Act, 1992
GAA	Global Aquaculture Alliance
HACCP	Hazard Analysis Critical Control Point
MPEDA	Marine Products Export Development Authority
MPEDA Act	Marine Products Export Development Authority Act, 1972
MSIHC Rules	Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989
MT	Metric tonne
US FDA	United States Food and Drug Administration
USDOC	The United States Department of Commerce
USITC	The United States International Trade Commission
VAP	Value added product

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIF	Alternative investment fund as defined in and registered under the SEBI AIF Regulations
AS/Accounting Standards	Accounting standards issued by the ICAI as notified by Companies (Accounting Standards) Rules, 2016
BSE	BSE Limited
CAA Act	Coastal Aquaculture Authority Act, 2005
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
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 the sections, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP ID	Depository Participant's identification number
DP/Depository Participant	A depository participant as defined under the Depositories Act
EPS	Earnings Per Share
EXIM Policy	Foreign Trade Policy 2015-20
FDI	Foreign Direct Investment as defined under the FEMA Regulations
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations

Term	Description
GAAR	General anti-avoidance rules
Gazette	Gazette of India
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
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
Legal Metrology Act	The Legal Metrology Act, 2009
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
Noise Pollution Rules	Noise Pollution (Regulation and Control) Rules, 2000
NPMF, 2017	National Policy on Marine Fisheries, 2017
NR	Non-Resident
NRI	A person resident outside India, who is a citizen of India or is an "Overseas Citizen of India" cardholder within the meaning of Section 7A of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit After Tax
PCB	Pollution Control Board
PLIA	Public Liability Insurance Act, 1991
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994
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 Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act, 1933
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 NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(zla) of the SEBI ICDR Regulations being a non-banking financial company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements
Trade Marks Act	The Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A under the Securities Act
U.S./USA/United States	United States of America
USD/US$/$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

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

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Financial Statements. For further information, see "*Financial Information*" on page 174.

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

The Restated Financial Statements are prepared and presented in accordance with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and the guidance notes issued by ICAI. 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, 2012 being the transition date.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. While in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/W16/47 dated March 31, 2016, we have provided a limited reconciliation of Ind AS and Indian GAAP numbers, our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For details on the differences between Ind AS and other accounting policies, and the risks associated with the same, 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' assessments of our financial condition*" on page 35. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, relating to the financial information of our Company in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 16, 119 and 291, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the 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.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

(Amount in ₹, unless otherwise specified)

Currency	As on December 31, 2017	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
1 US$	63.92*	64.84	66.33	62.59	60.10**	54.39***

Source: RBI Reference Rate
** Exchange rate as on December 29, 2017 as RBI Reference Rate is not available for December 31, 2017 and December 30, 2017 being a Sunday and Saturday, respectively*
*** Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively*
**** Exchange rate as on March 28, 2013, as RBI reference rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively*

Land and Units of Presentation

Our Company has presented units of land in this Draft Red Herring Prospectus in ‘acres’, ‘square meters’, ‘square feet’ ‘square yards’ and ‘cents’.

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the Lead Managers or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 16. Accordingly, investment decisions should not be based solely on such information.

Certain information in “*Summary of Industry*”, “*Summary of our Business*”, “*Industry Overview*” and “*Our Business*” on pages 41, 45, 91 and 119, respectively of this Draft Red Herring Prospectus has been obtained from the “Shrimp processing and feed industry in India” dated February, 2018 prepared by CRISIL Research, which 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. Devi 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."

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

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 87 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Lead Managers have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "should", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations 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 forward-looking statements due to risks or uncertainties associated with expectations relating to, including, regulatory changes pertaining to the industries in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and the United States of America, and globally which have an impact on its business activities or investments, the monetary and fiscal policies of India and the United States of America, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The environmentally sensitive industry in which we operate is subject to biosecurity risks at shrimp farms, our shrimp hatchery, our processing and other facilities and during the transportation of raw and processed shrimp products;
- General outbreaks of shrimp diseases;
- A significant portion of our revenue being generated from our limited number of large customers and any inability to maintain our relationship with such customers or reduction in their demand for our products. Further, these large customers exercise substantial negotiating leverage with us;
- A majority of our revenue being generated through the export of shrimp to the United States;
- Possibility of the United States Department of Commerce levying anti-dumping duty on our products in the future;
- Competition in our processed shrimp business segment from other competitors located both in India and globally;
- Contractual agreements not being executed with suppliers for our raw shrimp and raw materials for our shrimp feed, and an increase in the cost of or a shortfall in the availability of raw shrimp or raw materials for our shrimp feed;
- The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products;
- Exchange rate fluctuations and exchange controls and policies; and
- Failure to comply with the strict quality requirements, and regulatory and customer inspections that we are subject to.

For further discussion on factors that could cause our actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16, 119 and 291, 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.

There can be no assurance to 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 to be a guarantee of our future performance.

Forward-looking statements reflect current views 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, our Directors, our Promoters, the Selling Shareholders, the Syndicate 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 the SEBI ICDR Regulations, our Company and the Syndicate will ensure that the 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 for this Offer.

Each Selling Shareholder will ensure that the investors are informed of material developments in relation to the statements and undertakings confirmed by them from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Our Business", "Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 91, 119, 139 and 291, respectively, as well as the Restated Consolidated Financial Statements and other financial information included elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, the effects of certain risks may not be quantifiable, and hence, have not been disclosed in the applicable risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Offer, including the merits and risks involved.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this document.

Unless otherwise indicated or the context requires otherwise, the financial information included herein are based on our Restated Consolidated Financial Statements as of and for the nine months ended December 31, 2017, and as of and for financial years 2017, 2016 and 2015 included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 174.

Internal Risk Factors

1. ***We operate in an environmentally sensitive industry and are subject to biosecurity risks at shrimp farms, shrimp hatchery, our processing and other facilities and during the transportation of raw and processed shrimp products, which could have a material adverse effect on our business, financial condition and results of operations.***

   Ensuring biosecurity and the prevention of livestock diseases is critical to the success of our shrimp production and processing business. We operate in an environmentally sensitive industry and our shrimp are vulnerable to diseases and viruses, especially the White Spot Disease. We cannot assure you that the biosecurity measures that we follow will be fool-proof at the various stages of shrimp farming, harvest, transportation and processing. Further, we cannot guarantee that the raw shrimp that we procure from farmers will not be prone to any diseases and viruses. Our standard management system and biosecurity arrangements may not be sufficient, and this could cause diseases to develop in our shrimp. In addition, we face biosecurity risks associated with the transportation of our raw and processed shrimp products because these products have to be packaged appropriately and transported at an optimal temperature to prevent risks of diseases and contamination. If we fail to control biosecurity risks, our business, reputation, financial condition and results of operations may be significantly and adversely affected.

   Further, our business is sensitive to weather conditions, including extremes such as drought and natural disasters. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. 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 have a material adverse effect on our business, financial condition and results of operations.

2. ***General outbreaks of shrimp diseases can significantly restrict our ability to conduct our operations and this could have a material adverse impact on our business, financial condition and results of operations.***

We believe we take all reasonable precautions to ensure that the shrimp we procure are healthy and that our processing facilities and other facilities operate in a hygienic and environmentally sound manner. However, events beyond our control, such as general outbreaks of diseases, for example, the outbreak of the early mortality syndrome in Thailand in 2012, could significantly restrict our ability to conduct our operations. An outbreak of diseases could adversely impact the supply of raw shrimp, which we are heavily dependent on for our business. This could have a material adverse effect on our business, financial condition and results of operations.

General outbreaks of shrimp diseases may adversely affect the demand for shrimp or our reputation and brand, and require us to incur significant remedial or prophylactic expenditures, subject our business to increased regulatory or customer scrutiny and adversely affect our business. In addition, any disease or epidemic affecting the health of shrimp in India may result in a decrease in the sale of our shrimp feed products. Consequently, the outbreak of any such diseases in the future may adversely affect our business, results of operations and financial condition.

3. ***A significant portion of our revenue is generated from our limited number of large customers and if we are unable to maintain our relationship with such customers or if there is a reduction in their demand for our products, our business, results of operations and financial condition will be materially and adversely affected. Further, these large customers exercise substantial negotiating leverage with us, which could adversely impact our results of operations.***

We currently generate a significant portion of our revenue from a limited number of large customers. For the nine months ended December 31, 2017, and the years ended March 31, 2017, 2016 and 2015, revenues from our top customer amounted to 33.27%, 38.04%, 54.52% and 59.07% of our revenue from operations. For the nine months ended December 31, 2017 and the years ended March 31, 2017, 2016 and 2015, revenues from our top two customers contributed 47.52%, 54.48%, 65.13% and 68.74% of our revenue from operations respectively. Further, for the nine months ended December 31, 2017 and the years ended March 31,2017, 2016 and 2015, revenue from our top five customers constituted 60.74%, 71.03%, 80.11% and 81.56%, respectively, of our total revenue from operations. For further details, please see "*Our Business – Our Business Operations – Our Shrimp Division - Our processed shrimp customers and "program" business*".

We expect that in the future a limited number of large customers will continue to comprise a large percentage of our revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our financial condition and results of operations could be materially and adversely affected. While we have contracts with our major customers covering periods of up to one year, and in the case of our largest customer (in terms of revenue), three years, actual sales are made against periodic purchase orders. In the event of a cancellation or reduction of any customer purchase order, we may lose revenues and have surplus inventory, which could adversely impact our business, financial condition and results of operations.

The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

Further, many of our key customers are large restaurant chains and food service companies that have substantial purchasing power and leverage in negotiating contractual arrangements with us. These customers have sought and may continue to seek advantageous pricing and other commercial terms and may require us to supply different types of products or in accordance with more stringent specifications. If we are unable to address these pricing pressures or offset the increase in our average costs due to a reduction in pricing with increased sales volumes and reduced production costs, our operating results would be negatively affected.

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 derive most of our revenue through the export of shrimp to customers located in the United States. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, the revenue derived from the United States was Rs. 9,849.61 million, Rs. 12,724.66 million, Rs. 8,211.65 million and Rs. 7,378.53 million, comprising 71.68%, 83.28%, 89.70% and 85.16% of our revenue from operations (excluding other operating revenue), respectively. Any adverse change in demand for our products, seafood consumption patterns, international prices or government regulations in the United States region may adversely affect our business, financial condition and results of operations.

5. ***We cannot assure you that the United States Department of Commerce will not levy anti-dumping duty on our products in the future, and the imposition of anti-dumping duty could have a material adverse effect on our business, financial condition and results of operations.***

The United States Department of Commerce has excluded shrimp products manufactured and exported by us to the United States from anti-dumping duty. For details, please see "*Our Business*" on page 119. We believe that this exclusion provides us with a significant competitive advantage for sales into the United States, as new exporters from India have to pay an anti-dumping duty at the rate of 10.17% and existing exporters pay duty at a rate that is subject to revision every year. However, we cannot assure you that the United States Department of Commerce will continue to exclude our shrimp products from anti-dumping duty in the future or that the exclusion will not be revoked. The imposition of anti-dumping duty on our products manufactured and exported to the United States could have a material adverse effect on our business, financial condition and results of operations.

6. ***We face competition in our processed shrimp business segment from other competitors located both in India and globally.***

Although the seafood processing industry in India is fragmented and unorganised, it is highly competitive and we face intense competition from other manufacturers of processed shrimp products located both in India and other countries (such as China, Thailand, Vietnam and Indonesia). These competitors may have better financial and management resources, and may also have a larger market share than us. Further, we may face competition in the future from established companies having significant operations in India. Our success will largely depend on our ability to compete in areas such as quality of product, price, brand recognition and consistent supply. Our competitors may compete with us for customers, facility locations and staff. Competitors may offer higher quality products or products at similar or more competitive prices compared to ours. Inability to compete effectively could harm our ability to maintain acceptable levels of revenue growth, limit or otherwise inhibit our ability to grow one or more of our product lines, or force us to restrict our operations. Our products which are sold to our customers, particularly in the United States, may also face tough competition from companies from other producing countries with a better market presence and more financial resources than us. This could have a material adverse effect on our business, financial condition and results of operations.

7. ***We do not have contractual agreements with suppliers for our raw shrimp and raw materials for our shrimp feed, and an increase in the cost of or a shortfall in the availability of raw shrimp or raw materials for our shrimp feed could have an adverse effect on our business and results of operations.***

We primarily depend on third party farmers for the supply of reasonably priced and quality raw shrimp in the quantities required by us. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, our cost of materials consumed was Rs. 9,216.13 million, Rs. 9,714.54 million, Rs. 6,905.89 million and Rs. 6,905.89 million, or 62.90%, 59.78%, 68.91% and 72.81% of our total income, respectively. While we do not depend on a few suppliers, our suppliers may be unable to provide us with sufficient quantity of raw shrimp at a suitable price for us to meet the demand for our products. The price and availability of raw shrimp depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions.

We do not enter into supply contracts with any of our raw shrimp suppliers. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw shrimp that we require and we may be unable to pass these increased costs onto our customers, which may reduce our profit margins. We believe that we currently have a cordial relationship with shrimp farmers because they trust our ability to provide advice on scientific methods and techniques related to rearing shrimp, timely payment and transparent settlement, but they are not obliged to have an exclusive relationship with us and they can have similar relationship with our competitors. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our operations. Further, we face a risk that we might reject shrimp supplied to us because they do not meet our stringent quality standard and any inability to procure raw shrimp from other farmers in a timely fashion, or on commercially acceptable terms, could adversely affect our operations.

In addition, we do not have contractual agreements with suppliers of our raw materials for our shrimp feed, such as soya meal, fish meal and wheat flour. We purchase these raw materials in bulk in the open market in India at spot rates, and the price and availability of these raw materials are susceptible to seasonal and other variations. We typically endeavour to purchase these raw materials in the peak harvest seasons when the prices are lower. An increase in the cost of or shortfall in the availability of raw materials for our shrimp feed could have an adverse effect on our business and results of operations.

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

The products that we produce or process are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. For example, in our shrimp production and processing business, the raw shrimp we acquire from farmers have to be stored, handled and transported at specific temperatures and under certain food safety conditions. Further, shrimp may be subject to contamination by disease producing organisms 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.

Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are shipped to our customers. We face the risk of legal proceedings and product liability claims being brought by various entities, including consumers, distributors and government agencies for various reasons including for defective or contaminated products sold or services rendered. If we experience a product recall or are a party to a product liability case, we may incur considerable expense in litigation. We cannot assure you that we will not experience product recalls or product liability losses in the future. Although we have product liability insurance in the United States, we cannot assure you that the insurance coverage is adequate or that losses will be adequately compensated by our insurers in the event of a product liability claim. 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.

9. Exchange rate fluctuations and exchange controls and policies may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to risks related to exchange rate fluctuations, particularly with respect to the US Dollar. Our revenue is mainly denominated in US Dollar because we export our shrimp products mainly to the United States. However, the working capital borrowings of our Company and the procurement costs of our raw materials, raw shrimp in particular, are denominated in Indian Rupees. This exposes us to fluctuations in the US Dollar, among other currencies. The average US$-Rs exchange rate for the year ended March 31, 2017 was Rs. 67.09 per US$, as compared with Rs. 65.46 per US$ for the year ended March 31, 2016 and Rs. 61.15 per US$ for the year ended March 31, 2015. We have not hedged all of our foreign currency exposure in the past.

The exchange rate between the Indian Rupee and these currencies, primarily the US Dollar has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future as well. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, we expect that the cost of US Dollar borrowing as well as our cost of imported stores and spares, overseas professional costs, freight and overseas warehousing costs incurred by us may rise during a sustained depreciation of the Indian Rupee against the US Dollar.

10. We do not have contractual arrangements with shrimp farmers in respect of utilizing our shrimp feed products for shrimp farming, and a reduction in the farmers' shrimp feed orders from us or a switch to our competitors' shrimp feed products could have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2017 and March 31, 2017, our shrimp feed business contributed Rs. 2,768.13 million and Rs. 1,607.54 million, comprising of 19.04% and 9.97% of our revenue from operations, respectively. Shrimp farmers who purchase shrimp feed from us do not have any contractual arrangements with us to utilize our feed products for shrimp farming. Shrimp farmers purchase shrimp feed products from us because they trust our expertise in shrimp and shrimp farming, but they are not obliged to have an exclusive relationship with us in relation to the supply of shrimp feed products. Further, we do not have any arrangements with shrimp farmers who supply shrimp to us requiring them to use our shrimp feed. Therefore, we face a risk that shrimp farmers may reduce their shrimp feed orders from us or switch to our competitors' shrimp feed products, which could have a material adverse effect on our feed business, thereby negatively impacting our business, financial condition and results of operations.

11. We are subject to strict quality requirements, and regulatory and customer inspections. Any failure to comply with quality standards may lead to cancellation of existing and future orders and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our customers (in particular, our processed shrimp customers) have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in processed shrimp production may lead to cancellation of supply orders or non-renewal of contracts by our customers. Further, as part of the private label business model, we are required to process our products as per customer specifications. We are subject to strict quality requirements, customer inspections, inspections and certification by Indian and foreign regulatory authorities (such as the Export Inspection Agency, Ministry of Commerce and Industry in India, the US FDA and the European veterinary authority) and any failure to comply with quality standards according to our customers' requirements could result in the cancellation or non-renewal of purchase orders that may have an adverse impact on our business, financial condition, results of operations and prospects. For example, we are currently on the "green list" of the US FDA and our exported products to the United States are not detained physically for inspection. However, we cannot assure you that we will be able to remain on the "green list" of the US FDA and this could have a material adverse effect on our business, financial condition and results of operations because of the increased expenses and delay involved in exporting products to the United States. Further, there is a risk that Indian and foreign regulatory authorities may impose additional quality standard requirements, which may result in increased costs for us in order to comply with these additional requirements.

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

Any negative publicity regarding us, or our products could adversely affect our reputation, our operations and our results of operations. Prior to entering into purchase contracts, some of our customers undertake a detailed review process and quality check, which involve inspecting our processing facilities. The regulatory authorities may also conduct inspection checks from time to time. We are therefore subject to a stringent quality control mechanism at each stage of the entire process and are required to maintain a high quality and precision level for our products. We will continue to utilize a portion of our future revenue to manage our product quality and maintain our existing quality control, which could negatively impact our profitability.

In addition, our shrimp feed products require a high standard of consistent quality because shrimp feed directly contributes to the growth of the shrimp during the farming stage and farmers only choose brands with consistency in quality. We believe we use consistent quality ingredients for our shrimp feed and maintain strict quality control in our feed mill to ensure that our feed products are well suited to the white shrimp culture in Indian conditions. Any failure to comply with these quality standards could compromise the quality of our feed and could have a material adverse effect on our business, financial condition, results of operations and prospects.

12. Our processing operations are concentrated in the state of Andhra Pradesh and any adverse developments affecting Andhra Pradesh could have an adverse effect on our business, results of operations and financial condition.

Our operations are concentrated in the state of Andhra Pradesh. For our shrimp business, we source our raw shrimp from third party retail and corporate farmers primarily located in Andhra Pradesh. We also produce small quantities of raw shrimp at our two captive shrimp farms, which are also located in Andhra Pradesh. We also have a shrimp hatchery in Andhra Pradesh. Further, both our processing facilities (Devi-1 and Devi-2), where we process raw shrimp procured into exportable "ready to eat" or "ready to cook" forms, are located in Andhra Pradesh, and our new processing plant is also proposed to be located in Andhra Pradesh. For our shrimp feed business, we produce shrimp feed at a feed mill located in coastal Andhra Pradesh, our new shrimp feed mill which is in the process of being set up will also be located in Andhra Pradesh and we sell a majority of our feed products to shrimp farmers in Andhra Pradesh. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in the state of Andhra Pradesh, or changes in the policies of the state or local governments of this state or the Government of India, could require us to incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to, any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

13. Our inability to effectively manage our growth could have an adverse effect on our business, financial condition and results of operations.

We have experienced considerable growth over the past five years and we have significantly expanded our operations and product portfolio. Our total income grew from Rs. 9,448.14 million for financial year 2015 to Rs. 16,251.58 million for financial year 2017, while our profit for the period grew from Rs. 803.44 million for financial year 2015 to Rs. 1,055.55 million for financial year 2017. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue to expand our product portfolio and our geographic footprint and customer base (for details, please see "*Our Business – Our Strategy*" on page 123). Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce new products and maintain the quality of our products, general political and economic conditions in India and other countries, including the United States where we have substantial operations, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates. Further, a major portion of our revenues is dependent on our exports to international customers and to the extent we are unable to effectively manage our global operations and risks, we may be unable to maintain our revenues and profitability.

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

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

14. We currently benefit from subsidies in the state of Andhra Pradesh and avail benefits under export promotion schemes and any failure in meeting the obligations under the schemes could have a material adverse effect on our business, financial condition and results of operations.

The state of Andhra Pradesh has favorable policies to aid the growth and development of the aquaculture industry and gives subsidies for setting up processing units and aquaculture farms in Andhra Pradesh. Further, the state provides interest subventions for loans taken to set up processing units or feed manufacturing units, and gives provisions for tax holidays and setting up of aquaculture labs.

Further, we currently avail benefits under certain export promotion schemes. In accordance with the licensing requirements under the Export Promotion Capital Goods ("**EPCG**") scheme, we are required to export goods of a fixed amount, failing which, we may have to pay the Government of India a sum equivalent to the duty benefit enjoyed by us under the scheme together with interest. As of February 20, 2018, our pending export obligations against the EPCG license were Rs. 171.09 million. Any reduction or withdrawal of benefits or any inability to meet the conditions prescribed under any of the schemes could have a material adverse effect on our business, financial condition and results of operations.

15. A shortage or non-availability of electricity, fuel or water may adversely affect our production and processing operations, and this could have an adverse effect on our business, results of operations and financial condition.

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

16. Any loss of or shutdown of operations at our processing facilities or feed mill could have a material adverse effect on our business, financial condition and results of operations.

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

17. Our shrimp feed business is new and we may be unable to compete effectively with our competitors in the same line of business, which could have a material adverse effect on our business, financial condition and results of operations.

We started our shrimp feed business in March 2016. Our shrimp feed business is dependent on winning the trust of shrimp farmers and it might be difficult to do so with our limited experience in the feed business. Failure to gain the trust of shrimp farmers could adversely affect our strategy of expanding our shrimp feed business. Further, the shrimp feed business in India is highly competitive. Our competitors may already have significant operations in the feed business because of their established presence in the market, more financial resources and a larger market share to compete with us. Our limited experience in the shrimp feed business could adversely affect this line of business and this could have a material adverse effect on our business, financial condition and results of operations.

18. Our shrimp feed business is dependent on our distribution network and the credit options provided to distributors. A failure to manage our distribution network or downturn in general economic conditions could have a material adverse effect on our shrimp feed business, thereby negatively impacting our business, financial condition and results of operations.

We rely on the distribution network for our shrimp feed business where third party distributors distribute our shrimp feed products to shrimp farmers. Our ability to expand and grow our shrimp feed product reach significantly depends on the reach and effective management of our distribution network. We seek to increase the penetration of our shrimp feed products by appointing new distributors targeted at shrimp farmers in different regions of India, including Gujarat, Tamil Nadu and Odisha. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favorable than those offered by us, distributors may decline to distribute our feed products and terminate their arrangements with us. We may be unable to appoint replacement distributors in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, financial condition and results of operations. Further, we have no long-term or exclusive arrangements or agreements with any of our distributors and farmers.

Further, our shrimp feed business is dependent on the credit options provided to our distributors. As such, we are subject to counterparty credit risk where distributors might fail to make timely payments for our shrimp feed products. Downturn in general economic conditions could adversely impact the shrimp farmers' and our distributors' financial position, which could materially impact the demand for our shrimp feed products, thereby having a material adverse effect on our business, financial condition and results of operations.

19. There are certain restrictive covenants in some of our customer contracts, which could have a material adverse effect on our business, results of operations and financial condition.

A number of our customers are large restaurant chain and food service companies that have substantial leverage in negotiating contractual arrangements with us. Some of these customers have sought and may continue to seek advantageous commercial terms from us, and there are certain restrictive covenants in some of our customer contracts. For example, under our agreement with our largest customer in the United States, we are prohibited from selling products to other customers at a lower price than the price fixed under the contract and there is a right of first refusal offered to the customer to exclusively market and sell any new products we offer. There could also be similar restrictive covenants in contracts we may enter into with new customers in the future. Such restrictive covenants in our customer contracts could have a material adverse effect on our business, results of operations and financial condition.

20. We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our processing facilities. We are also required to obtain environmental clearances in relation to the discharge of effluents, emission from chimneys and disposal of hazardous wastes. For details of approvals relating to our business and operations, see "*Government and Other Approvals*" on page 319.

Further, our proposed feed mill and processing plant will also require approvals to commence operations, which may not be obtained in a timely manner or at all.

Our shrimp farm located at Pedapudi is leased from third parties, one of our Promoters and members of our Promoter Group. In relation to lease deeds for such land, the approvals from the Department of Fisheries, Government of Andhra Pradesh, have been obtained and maintained by such third parties, one of our Promoters and members of our Promoter Group and are not in the name of our Company.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

In addition, our Subsidiary is required to obtain, maintain and renew a number of licenses, permits and registrations in the United States. In particular, our Subsidiary is required to obtain licenses or permits in the states of Illinois, New Jersey, Florida and California, where we have warehouse and distribution operations. We do not currently have these licenses and are in the process of applying for them. We may be subject to fines by the relevant bodies in these jurisdictions, which may adversely impact our reputation, results of operations and financial condition.

21. If we are unable to introduce new products and respond to changing consumer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and financial condition.

The success of our business depends upon our corporate customers' ability to cater to the demands of their end consumers, which in turn depends on their ability to anticipate and identify changes in consumer preferences and offer such products. We work closely with our customers for our processed shrimp business to understand their requirements and to distinguish ourselves from our competitors to enable us to introduce new products and different variants of our existing products, based on consumer preferences and demand. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product segments. For example, in our shrimp production and processing business, the demand for shrimp may decline if we fail to respond to changing consumer preferences, especially given that customers from different countries have different preferences as to the type of shrimp they require. Further, our shrimp feed products could see a decline in demand if our customers produce a different species of shrimp and we have to introduce new products to cater to other species of shrimp. This will in turn result in substantial demands on our management, operational and financial resources, and our growth will require us to continuously invest in our operations and improve our operational, financial and internal controls, employee costs, newer units in newer locations, expansion of existing units and administrative infrastructure.

The development and commercialization process of a new product would require us to spend considerable time and money. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations results and financial condition.

22. Rising operational costs could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business is affected by price fluctuations both for processed shrimp and raw shrimp. The selling price of processed shrimp in the United States is primarily based on the Urner Barry's Seafood Price index and our customers purchase shrimps from us at the rates specified in the Urner Barry index. Therefore, movements in the Urner Barry index directly impact our revenue from operations and the price for processed shrimp has fluctuated greatly in the past. The Urner Barry index also indirectly impacts the price of raw shrimp, and large fluctuations in the index could increase the price we pay for raw shrimp. Further, our operational costs depend on various factors which are not within our control, such as general economic conditions, inflation, competition, production levels, transportation costs and import duties. For example, high inflation rates in India may lead to unsustainable rise in the costs of raw materials, labor and utilities, without a corresponding increase in our productivity and/or revenue, thereby adversely affecting our profitability. Further, we could experience a significant increase in labor costs if new laws and regulations are enacted that could increase the amount of severance, service and compensation payments payable to employees upon termination of employment, thereby contributing to rising operational costs and lower profit margins. Any increase in the costs of our operations may adversely affect our business, financial condition, results of operations and prospects.

23. We utilize the services of certain third parties and any deficiency or interruption in their services could adversely affect our business, financial condition, results of operations and reputation.

We export majority of our products to the United States and we utilize the services of certain third parties in the United States, such as transportation service providers for timely delivery of our shrimp products to our customers and warehousing service providers to store our products. In addition, we also utilize the services of distributors for our feed business to distribute our feed products in India. Therefore, we face a risk that there could be deficiency or interruption in these third party services. Further, we do not have long-term or exclusive arrangements with these service providers, and we face a risk that service providers may not continue to provide these necessary services for our operations.

If service providers are unable to deliver or distribute our products as agreed, enforcing these delivery contracts or finding alternate third party service providers could be expensive and time consuming. Disruptions to transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and supply of our products to our customers. To the extent that our losses are not covered by insurance, this could have a material adverse effect on our business, financial condition and results of operations. Our business is also largely dependent on booking proper cargo shipments to ensure that our processed products are exported to our end customers on time. Any delay or contingencies faced in booking cargo shipments could affect our sales and business. Uncertainties and delays (including delays in customs clearance) or non-delivery of our raw materials or products could have a material adverse effect on our business, financial condition and results of operations.

In addition, we utilize a particular service provider for a majority of our warehousing in the United States and are accordingly dependent on that service provider. Further, if warehousing service providers do not store our products as agreed, our products could be unfit for delivery to our customers and we might have to dispose of them. Finding alternative warehousing service providers within a short time frame might not be possible, and it could also be expensive and time consuming and could adversely affect our business, financial condition and results of operations.

24. Our business is dependent on the global demand for shrimp. A decline in the global demand for shrimp could have a material adverse effect on our business, financial condition and results of operations.

Our shrimp production and processing business depends on the global demand for shrimp, particularly in countries such as the United States and Canada where we export majority of our processed products. Our shrimp feed business also depends on the general global demand for shrimp because demand for our feed products is directly correlated to the demand for farmed shrimp. CRISIL Research estimates that global per capita seafood consumption is expected to increase to approximately 22kg in 2026 from 20.4kg in 2016 but we cannot assure you that this will translate into a concomitant increase in the global demand for shrimp. 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.

25. Our business is predominantly dependent on white shrimp. A decline in the supply of white shrimp could have a material adverse effect on our business, financial condition, results of operations and reputation.

For the nine months ended December 31, 2017, white shrimp accounted for more than 97% of our total processed quantity of shrimp. The raw material for our processed products is mainly white shrimp and we expect this trend to continue in the future for new products that we may offer. A decline in the supply of white shrimp would mean that we are unable to meet the demand for our products and this could have a material adverse effect on our business, financial condition, results of operations and reputation. Further, any changes in customer tastes or preferences away from white shrimp or decline in demand of white shrimp due to the availability of cheaper or disease-resistant alternatives may also adversely affect our business.

26. Our business is subject to seasonal variations that could result in fluctuations in our results of operations.

Our business is subject to seasonal variations. For example, in our shrimp feed business, we sell lower volumes of shrimp feed during the winter seasons because shrimp feed consumption is typically lower due to lower aquaculture activity. In our shrimp production and processing business, 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.

As a result of such seasonal fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance.

27. We have high capital expenditure requirements because we are building a new feed mill and we propose to build a new processing facility, and there can be no assurance that we will be able to access capital as and when we need it for growth.

We are currently building a new feed mill to further expand our shrimp feed business and we propose to build a new shrimp processing facility to increase our production capacity, therefore our planned capital expenditure is high. Our ability to grow our business and maintain our market shares in the segments in which we operate is dependent on our ability to raise additional funds to implement our business strategy or to refinance our existing debt or for working capital. There can be no assurance that such funds will be available on favorable terms or at all. Additional debt financing may increase our financing costs and reduce our profitability. If we are unable to raise additional funds on favorable terms or at all as and when required, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

28. The gross margin for our shrimp feed business could decline and we cannot assure you that we can maintain our gross margin at the same level in the future.

The operating profit margin for our shrimp feed business was 25.08% for the nine months ended December 31, 2017. We cannot assure you that we can maintain our gross margin for our shrimp feed business at the same level in the future, as this is dependent on many factors not within our control. Such factors include the supply conditions of raw materials required to produce shrimp feed which in turn affect the prices of raw materials, competition in the shrimp feed business and our ability to capture market share in this line of business.

29. We rely heavily on the Devi Seafoods and Devee brand names, the dilution of which could adversely affect our business.

Our brand and reputation are among our most important assets. We believe our brand serves in attracting customers to our products and also shrimp farmers to supply raw shrimp to us in preference over those of our competitors. We believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives is important for our ability to obtain high quality raw shrimp, increase our sales volumes and our revenues, grow our existing market share and expand into new markets. We also believe the "Devi Seafoods" and "Devee" brands command brand recall in the global and domestic markets respectively. Decrease in product quality due to reasons beyond our control or allegations of product defects, even when false or unfounded, could tarnish the image of the established brands and may cause customers to choose other products. Some of our competitors and members of our Promoter Group are currently using the "Devi" brand, which could lead to a dilution of our brand and our reputation could be adversely affected by such use. Our reputation and brands could also be affected by competitors using similar brand names or socially motivated groups, which could lead to a decline in our sales volume. Further, the considerable expansion in the use of social media over recent years has compounded the potential impact of negative publicity. Consequently, any adverse publicity involving the "Devi Seafoods" and "Devee" brands, our Company or our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects.

30. Our inability to protect or use our intellectual property rights may adversely affect our business.

We consider our brand and intellectual property to be one of our most valuable assets and we recently obtained trademark registration for "Devi Seafoods" and the "Devee" tradenames in India. We have not yet obtained trademark registration for "Devi Seafoods" and the "Devee" tradenames in any other country. We rely on unpatented proprietary know-how and continuing technological innovation to develop and maintain our competitive position. 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 registrations are granted and there can be no assurance that such registrations will be granted. For further details, see "*Government and Other Approvals*" on page 319.

The measures we take to protect our intellectual property under Indian and foreign laws and initiating legal proceedings, may not be adequate to prevent unauthorized use of our intellectual property by third parties. 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.

While 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. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

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

As of February 14, 2018, we had a total outstanding borrowing of Rs. 1,247.11 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements are secured by way of mortgage over our fixed assets (including our processing facilities, hatchery and shrimp farms), hypothecation of our plants and machinery, and mortgage over assets belonging to our Promoter, P. Brahmanandam, and certain members of the Promoter Group along with personal guarantees given by our Promoters and our whole-time Directors.

In addition, certain of our borrowings require us to maintain certain financial ratios and certain other informative covenants, which are tested at times on a quarterly or annual basis. Further, the loan undertaken by our Subsidiary provides that the following events will be events of default: in case Sreeram Atluri ceases to have a material involvement in the management of the Subsidiary; and in case there occurs any default by the Subsidiary or our largest customer under our purchase agreement with our largest customer or if that agreement is terminated or not renewed. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Our loans are secured and our lenders may enforce the security in the event of a default. Further, we have sought renewal of certain of our financing arrangements and we cannot guarantee that the facilities availed under such arrangements will be renewed on the previously agreed terms and conditions, or conditions which are not more onerous on us. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

33. Some of our business operations, including our registered office, are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.

Some of our business operations, including our registered office and shrimp farm at Pedapudi, are being conducted on premises leased from various third parties, including P. Suryavathi, our Promoter and certain members of the Promoter Group and we may also enter into such transactions with third parties in the future. For example, we entered into a lease agreement for our shrimp feed mill at Peddapuram, East Godavari District, Andhra Pradesh for a period of 30 years commencing from April 1, 2015. Further, the leases for the land comprising our shrimp farm located in Pedapudi are valid for terms of six years (and expire between 2020 - 2021) and the lease for our shrimp feed warehouse expires on October 15, 2018. Similarly the lease for our Registered Office from P. Suryavathi, our Promoter expires on May 14, 2018. Certain floors of our Registered Office are required to be utilised for residential purposes. Our application for using the premises for commercial use is still pending. Further, our Subsidiary leases an office the term of which will expire on June 30, 2018.

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. 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. For further details, see "*Our Business – Property*" on page 137.

34. Our Subsidiary may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiary.

Our Subsidiary is a separate and distinct legal entity, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of its financing arrangements. Further, dividends received from our Subsidiary is liable to be taxed in India. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. In addition, our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiary be diluted or in the event that they cease to be our Subsidiary, which could in turn adversely affect our financial condition.

35. Any 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 distributors and certain 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 December 31, 2017, and March 31, 2017, 2016 and 2015, our trade receivables were Rs. 2,088.90 million, Rs. 1,821.64 million, Rs. 900.30 million and Rs. 899.97 million, respectively. If our distributors and customers delay or default in making these payments, our profits could be adversely affected.

36. We are dependent on our Promoters and a number of Key Management Personnel, including our Board, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our Promoters, Board and other Key Management Personnel. We believe that the inputs and experience of our Promoters, Board and Key Management Personnel are valuable to the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these individuals or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. For further information, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 152 and 167, respectively.

While we believe we have an experienced technical and production team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

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

As of December 31, 2017, we employed 1,401 personnel across our operations. Although we have not experienced any material labor unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

38. We rely on contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labor in our shrimp feed mill for our shrimp feed business. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the local contract labour legislations, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us.

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

We could be held liable for accidents that occur at our processing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include building, plant, machinery and stock insurance, raw materials, finished goods, work in progress goods, packing materials and consumables and stores and stocks insurance, workman's compensation insurance, key management insurance, vehicles insurance, group personal accident insurance, erection risk insurance and group health insurance. However, we do not maintain any insurance policies to cover the risk of an outbreak of disease in animals.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

40. Information relating to the historical capacity of our processing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.

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

41. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

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

	For the nine months ended December 31,	For financial year		
	2017	2017	2016	2015
	(Rs. in million)			
Net cash generated/(used in) Operating Activities	390.30	(11.17)	(189.38)	986.39
Net cash generated/(used in) Investing Activities	(180.70)	(260.72)	(226.99)	(485.71)
Net cash generated/(used in) Financing Activities	(472.52)	214.04	728.86	(756.22)
Net increase/(decrease) in Cash and Cash Equivalents	(262.92)	(57.85)	312.49	(255.54)

For further details, see "*Financial Statements"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 174 and 291, respectively. We cannot assure you that our net cash flows will be positive in the future.

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

We have entered into various transactions with related parties, including our Promoters. For example, we entered into a lease agreement with one of our Promoters for the lease of the premises for our Registered Office and also for certain lands forming part of our farms at Pedapudi. Similarly, certain portions of our shrimp farm at Pedapudi are leased from certain members of our Promoter Group. We have also purchased certain parcels of land from certain members of our Promoter Group and also transferred certain parcels of land to them. We cannot assure you that we could not have achieved more favourable terms. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "*Related Party Transactions*" on page 173. For details on the interest of our Promoters, Directors and key management personnel of our Company, see "*Our Management – Interests of Directors*", "*Our Management – Interests of Key Management Personnel*" and "*Our Promoters and Promoter Group*" on pages 158, 165 and 167, respectively. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

43. We have certain contingent liabilities, which, if they materialize, may adversely affect our financial condition.

As of December 31, 2017, our contingent liabilities are as set out in the table below:

Particulars	As of December 31, 2017 *(Rs. in millions)*
(a) Guarantee and commitments	
Investment commitment in our Associate	13.20
(b) Contingent liabilities **Claims against our Company not acknowledged as debts in respect of:**	
Disputed income tax liabilities*	23.53
Capital commitments	64.50
Liability under letter of credit	-
Foreign documentary bills discounted	-

** Future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company.*

44. We may be subject to state taxes in certain states in the United States, which we have not paid for prior periods. As a result, we may be required to pay such taxes along with interest.

Our Subsidiary currently files federal and state income tax returns in the States of New Jersey and Texas. In addition, our Subsidiary was required to pay corporate income tax in the states of California, Illinois and Florida, as a result of owning and storing inventory in these states at public warehouses, for the tax years ended March 31, 2014, 2015, 2016 and 2017. We are currently in the process of filing voluntary disclosure agreements with these states for these tax years for ascertainment and payment of tax liability. As a result of this process, we may be required to pay unpaid taxes along with interest to these states.

45. 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.

We currently intend to invest our future earnings, if any, to fund our growth. 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 any financing arrangements that we may enter into. 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. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 172.

46. Other than our shrimp processing and shrimp feed business segments, we also generate small amounts of revenue from the sale of wind power, which we have limited experience and expertise in.

We specialize in shrimp processing and shrimp feed manufacturing. However, we also generate small amounts of revenue from the sale of wind power. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, the revenue from our wind power business was 0.01%, 0.07%, 0.07% and 0.10% of our revenue from operations. We have limited experience and expertise in the wind power business, and may be susceptible to unforeseen risks.

47. We have commissioned an industry report from an agency, which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.

We have commissioned the CRISIL Report titled "Shrimp processing and feed industry in India" published in February 2018 pursuant to an engagement between CRISIL Limited and our Company. The report uses certain methodologies for market sizing and forecasting, and is subject to certain disclaimers set out in "*Presentation of Financial, Industry and Market Data*" on page 11. Neither we, nor any of the Lead Managers have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. See "*Industry Overview*" on page 91.

48. We will continue to be controlled by our Promoters and Promoter Group after the completion of the Offer.

After the completion of the Offer, our Promoters and Promoter Group will continue to hold majority of our outstanding Equity Shares. As a result, our Promoters and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters and Promoter Group could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights. Any sales of substantial amounts of our Equity Shares in the public market after the completion of the Offer by our Promoters or our Promoter Group, or the perception that such sales could occur could materially affect the market price of our Equity Shares.

***49. We do not hold controlling interest in our Associate and our interests may not align with the interests of the other shareholders of our Associate. We could be exposed to the risk of disputes arising with other shareholders of our Associate, which could have a material adverse effect on our business, results of operations and financial condition*.**

We do not hold controlling interest in our Associate and we are unable to control the composition of our Associate's board and determine matters requiring shareholder approval or approval of its board. Our interests may not align with the interest of the other shareholders of our Associate, and the other shareholders may take or block actions with respect to our Associate's business. We cannot guarantee that the other shareholders will act in our interest while exercising their rights in our Associate and we could be exposed to the risk of disputes arising with other shareholders of our Associate, which could have a material adverse effect on our business, results of operations and financial condition.

50. There are certain legal proceedings pending against our Company which if determined against us, may have an adverse effect on our business.

There are outstanding legal proceedings involving our Company which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed from our Company. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. As of date of this Draft Red Herring Prospectus, there are three income tax proceedings aggregating ₹46.17 million pending against our Company. The net tax liability on our Company in relation to these tax proceedings is ₹23.53 million.

For details, see the section "*Outstanding Litigation and Material Developments*" on page 316.

We cannot assure you that any of these matters will be settled in our favor or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation.

51. 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:

Promoters	Average cost of acquisition per Equity Share (in Rs.)
P. Brahmanandam	0.34
P. Suryavathi	0.27
P. Brahmanandam (jointly held with P.V. Krishna Rao)	0.13

52. Our Promoters and Directors have interest in us other than reimbursement of expenses incurred, normal remuneration or benefits.

Our Promoters and certain Directors, have interest in our Company, other than the reimbursement of expenses incurred, normal remuneration or benefits to the extent of their respective shareholdings and dividend entitlement, as applicable. For further details, see "*Our Promoters and Promoter Group*", "*Financial Statements*" *and* "*Related Party Transactions*" on pages 167, 174 and 173, respectively.

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

During the last year we have issued the following Equity Shares at a price that may be lower than the

Offer Price:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration	Nature of transaction	Allottees
February 22, 2018	40,000,000	2	NA	NA	Bonus issue in the ratio 2:1	18,105,000 Equity Shares allotted to P. Brahmanandam, 9,279,000 Equity Shares allotted to N. Naveena, 9,263,000 Equity Shares allotted to P. Rama Devi, 1,813,000 Equity Shares allotted to P. Suryavathi, 300,000 Equity Shares allotted to V.B.V. Giri Prasad, 300,000 Equity Shares allotted to jointly to P. Brahmanandam and P.V. Krishna Rao, 300,000 Equity Shares allotted to T. Srinivasa Reddy, 300,000 Equity Shares allotted to N. Venu Gopal Rao, 250,000 Equity Shares allotted to G.V.S.N. Murthy, 50,000 Equity Shares allotted to D.S.S. Prasada Rao, 20,000 Equity Shares allotted to P.G. Mohana Rao, 20,000 Equity Shares allotted to B. Marthanda Rao

The price at which Equity Shares have been issued by our Company in the immediately preceding year is not indicative of the price at which they will be issued or traded. For further information refer to the section "*Capital Structure"* on page 71.

54. ***Some of the members of our Promoter Group, including some of our Directors and their relatives operate in the same line of business as us, which may lead to competition with such persons or entities***

Some of the members of our Promoter Group, including some of our Directors and their relatives are involved in ventures which are in the similar line of business as our Company. We may hence have to compete with such persons or entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoter Group may also conflict in material aspects with our interests or the interests of our Shareholders. For further details, see "*Our Promoter and Promoter Group*" on page 167.

55. ***Our Company will not receive any proceeds from this Offer***

Our Promoters and P. Rama Devi and N. Naveena, members of our Promoter Group are selling Equity Shares in this Offer and there is no fresh issue of Equity Shares by our Company. Accordingly, the funds raised by the sale of our Equity Shares in this Offer will not come to our Company. The primary object of the Offer is to achieve the benefits of listing of our Equity Shares.

56. ***There have been certain inadvertent inaccuracies and delays with respect to certain regulatory filings made by our Company with the RoC. Further, we are not in possession of certain filings made our Company with statutory authorities. Accordingly, we may be subject to regulatory actions and penalties in this regard.***

We do not have records of certain statutory filings made with the RoC and the RBI or acknowledgements for some of the filings made with the RoC. For example, we are not in possession of the Form 2 filed with the RoC in relation to the allotment of 450 equity shares made on April 4, 2000 and some of the form filings. While we have tried to locate copies of the filings made with the RoC by obtaining an RoC search report, we have been unsuccessful in this regard. Further, there have been certain inadvertent factual inaccuracies in respect of certain filings made by our Company with the RoC. There have also been instances of delays in filing some of these forms with RoC. For instance, there has been a delay of over 270 days in filing Form MGT-14 in respect of the shareholders resolution approving the amendment to our MoA. We have accordingly submitted an application before the Ministry of Corporate Affairs, seeking condonation of the delay. The application is still pending. For details, see "*Outstanding Litigation and Material Developments*" on page 316. Accordingly, we cannot assure you that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in, or non-availability of, any of its secretarial records and filings, which may adversely affect our reputation.

External Risk Factors

Risks Related to India

57. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge previously being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the recent introduction of this tax regime, we are unable to provide any assurance as to the impact this may have on our operations. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

We may also incur increased costs and other burdens relating to compliance with new requirements under the GST regime or other laws, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, applicable law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

58. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

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

59. Investors may not be able to enforce a judgment of a foreign court against our Company.

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

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, as amended, on a statutory basis. Section 13 of the Code of Civil Procedure, 1908, as amended, provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Code of Civil Procedure, 1908, as amended, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Code of Civil Procedure, 1908, as amended, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code of Civil Procedure, 1908, as amended, is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

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

60. 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 nine months ended December 31, 2017 and financial years 2017, 2016, 2015, 2014 and 2013 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. Please refer to "*Financial Statements*" beginning on page 174. Except as otherwise provided in the "*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.

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

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act 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 CCI. Additionally, the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, set out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty 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, financial condition, results of operations and prospects.

62. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, 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 shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Risks Related to the Equity Shares and the Offer

63. 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 the operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

64. 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.

65. 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 has been determined by our Company in consultation with the Lead Managers, and through the Book Building Process. This price was based on numerous factors, as described under "*Basis for Offer Price*" on page 87 and is not 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.

66. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or members of our Promoter Group may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters or members of our Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" beginning on page 71, we cannot assure you that our Promoters or Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

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

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

68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

69. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of our Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. See "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 393.

70. Public companies in India, including us, are required to compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to ICDS in India is very recent and we may be negatively affected by such transition.

The Ministry of Finance, Government of India, has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and are applicable fiscal 2016 onward. Therefore, ICDS will have a direct impact on computation of taxable income of our Company fiscal 2016 onwards. ICDS differs on several aspects from accounting standards including the Previous GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Previous GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Our Tax Expenses*" on pages174 and 300, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

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

Under the Indian Income-tax Act, 1961, 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 shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("**STT**") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Pursuant to the notification dated June 5, 2017 issued by the Ministry of Finance, the Government of India has introduced certain anti-abuse measures pursuant to which, the aforesaid exemption from payment of capital gains tax free income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of equity shares. The said provision has been notified to take effect from April 1, 2018. Please see the section "*Statement of Tax Benefits*" on page 90. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

Further, in accordance with the Finance Bill, 2018, tabled before Parliament, it has been proposed that the exception on long-term capital gains tax be withdrawn and such tax become payable in the hands of the investors. Accordingly, such tax may become payable by the investors from April 1, 2018. However, Parliament has not passed the Finance Act. As such, there is no certainty on the impact that the Finance Bill may have on our business and operations.

Prominent Notes

- Our Company was incorporated as Devi Sea Foods Private Limited on March 26, 1992, at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company became a deemed public limited company under Section 43A(1A) of the Companies Act, 1956 with effect from June 30, 1995, and the word "private" was struck off from the name of our Company pursuant to the Company's intimation letter dated January 1, 1998. Pursuant to our Company passing a resolution under Sections 31 and 44 of the Companies Act, 1956 on January 27, 1998, our Company was registered as a public limited company and the Registrar of Companies, Andhra Pradesh, situated at Hyderabad issued a fresh certificate of incorporation dated March 19, 1998, consequent upon conversion, recording the change of our Company's name to 'Devi Sea Foods Limited'. For details in relation to the change in the name of our Company, see "*History and Certain Corporate Matters*" on page 145.

- Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●]) aggregating up to ₹9,000 million comprising an offer for sale of up to [●] Equity Shares aggregating up to ₹9,000 million by the Selling Shareholders.

- Our net worth was ₹6,236.41 million as on December 31, 2017, in accordance with our restated consolidated financial statements and ₹5,150.59 million as on December 31, 2017, in accordance with our restated standalone financial statements, each included in this Draft Red Herring Prospectus. For details, please see the section "*Financial Statements"* on page 174.

- Our net asset value per Equity Share was ₹103.94 as at December 31, 2017, as per our restated consolidated financial statements and was ₹85.84 as at December 31, 2017 as per our restated standalone financial statements.

- The average cost of acquisition of Equity Shares by our Promoters, P. Brahmanandam, P. Suryavathi and P. Brahmanandam (jointly held with P.V.Krishna Rao) is ₹0.34, ₹0.27 and 0.13 per Equity Share respectively.

- Our Company does not have any group companies as on the date of this Draft Red Herring Prospectus, and accordingly there are no group companies which have business interests or other interests in our Company.

- For details of related party transactions entered into by our Company with the our Subsidiary and other related parties during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section "*Financial Statements*" on page 174.

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

Investors may contact the Lead Managers for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see "*General Information*" on page 64.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*All the information contained in this section is derived from the CRISIL Research report titled "Shrimp Processing and Feed Industry in India" published in February 2018 (the "**CRISIL Report**"). Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. For further details, see "Industry Overview", "Risk Factors" and "Our Business" on pages 91, 16 and 119 respectively.*

OVERVIEW OF THE GLOBAL SEAFOOD INDUSTRY

Seafood products can generally be classified as capture fisheries (comprising aquatic species from natural water bodies such as the sea, lakes, ponds, etc.) and aquaculture (comprising species cultivated in aquaculture farms under controlled conditions). Within aquaculture, species can be cultivated in marine, fresh or brackish water. Both capture fisheries and aquaculture can be sold in fresh, frozen, or in value-added form (such as prepared, preserved or cured).

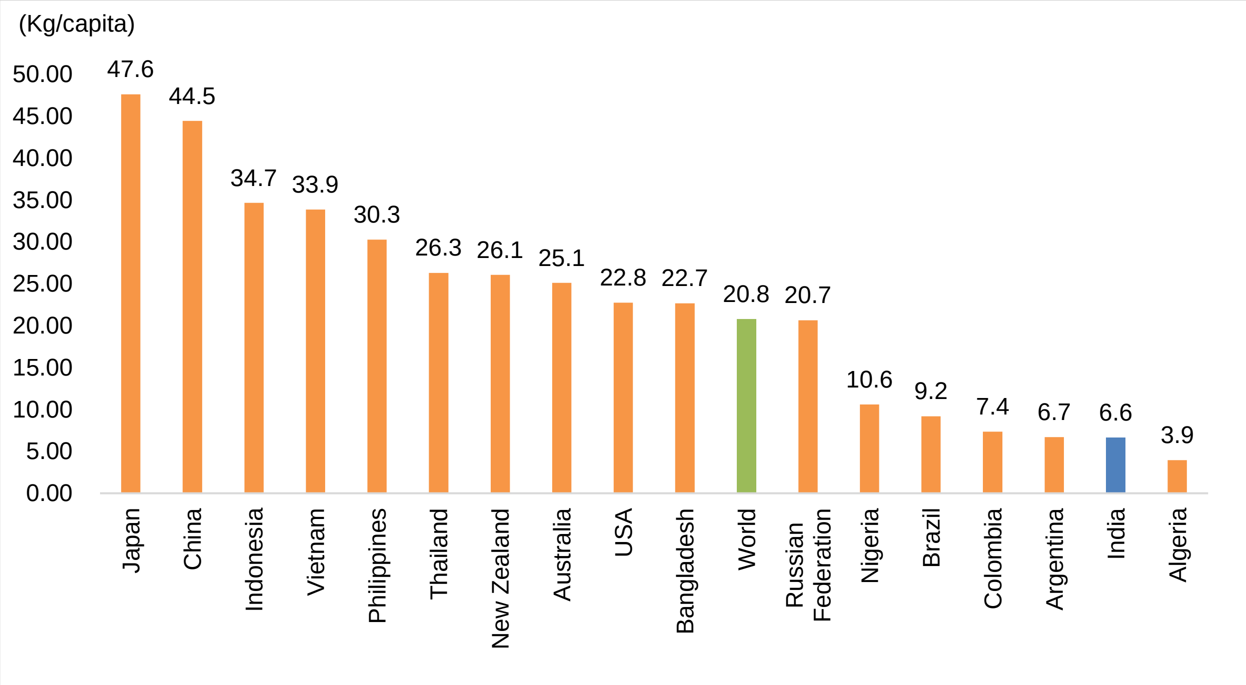
Global seafood – Consumption

According to CRISIL Research, seafood accounted for approximately 24% share of global consumption from animal protein obtained from meat and dairy in 2016. Global demand for seafood has risen because of rising population and incomes, availability of a variety of fish, and high protein content. Global seafood consumption also had a CAGR of 2.2%, growing to an estimated 176.7 million MT in 2017. During the corresponding period, the industry saw a shift from capture fishing to aquaculture, due to improved fisheries management and growth in cold chain infrastructure, which aided the industry's growth. CRISIL Research expects per capita seafood consumption to grow at 0.6%, and global seafood consumption to slow down to 1.2% CAGR over the next decade (i.e. 2017 to 2026). Growing world population, rising incomes, urbanisation, and improved distribution channels are expected to provide further cushion to global consumption growth.

CRISIL Research notes that over 2007 to 2017, per capita seafood consumption increased from 17.8 kg to 20.8 kg, and expects this to increase to 21.6 kg by 2026. (*Source: a 2017 report jointly published by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO) (the "**OECD-FAO 2017-2026 Report**"*). In terms of per capita consumption, 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 the USA was relatively high at 22.8 kg. Per capita seafood consumption for India stands at 6.64 kg in 2017.

Asia has been the major consumption centre for seafood, accounting for around two-thirds share of global seafood consumption during 2017 (*Source: OECD-FAO 2017-2026 Report*), followed by the OECD countries at 23% and Europe at 11%. China, Indonesia and India were the top three seafood consuming nations, accounting for 48% of total consumption as per provisional estimates of 2017.

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



E: Estimated
Source: OECD-FAO 2017-2026 Report, CRISIL Research

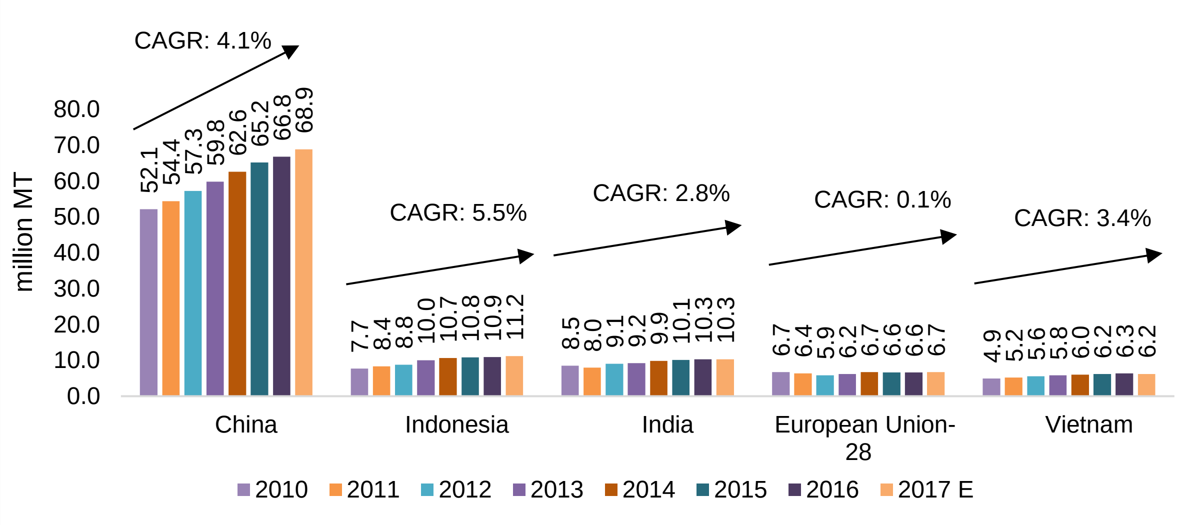
Global seafood – Production

CRISIL Research estimates global seafood production to have increased from 140.4 million MT in 2007 to 176 million MT in 2017. The rise in production was mostly attributed to Asian countries, with China being the dominant player.

Over the past ten years, overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level, has resulted in stagnation in marine production. The increasing demand for seafood has hence been met via aquaculture. During the past decade (2007-2017), while the global aquaculture production grew at 5.1% CAGR, capture fisheries rose at a relatively lower 0.4% CAGR. Consequently, during the corresponding period, the share of aquaculture in overall seafood industry increased by from 36% in 2007 to 47% in 2017, and CRISIL Research expects this to increase to 53% by 2026.

In 2017, China, India and Indonesia were estimated to be the top three aquaculture and seafood producers in the world, accounting for 52.1 million MT, 5.6 million MT and 4.5 million MT (for aquaculture production) and 68.9 million MT, 10.3 million MT and 11.2 million MT (for seafood production), respectively. Together, these three countries accounted for nearly 59% of world aquaculture production by volume. The other major aquaculture producing countries are Vietnam and Bangladesh, which together with China, Indonesia and India, account for approximately 82% of world aquaculture production by volume.

Top five countries in total aquaculture and capture production



Source: OECD-FAO 2017-2026 Report, CRISIL Research

CRISIL Research expects the Asian region to lead aquaculture production over the next decade, given that Asian markets (such as Thailand, Indonesia and Vietnam) have started recovering from the early mortality syndrome ("**EMS**") or have largely been insulated from the spread of the disease (such as India and Brazil). CRISIL Research expects that this, combined with high profitability earned on account of low feed prices, will sustain growth and production over the short term. In particular, CRISIL Research expects India's share in global aquaculture production to continue to expand, given that it has the required production capabilities, such as a large coastline, cheap labour and favourable climatic conditions.

Trends and forecasts in shrimp and prawns production patterns

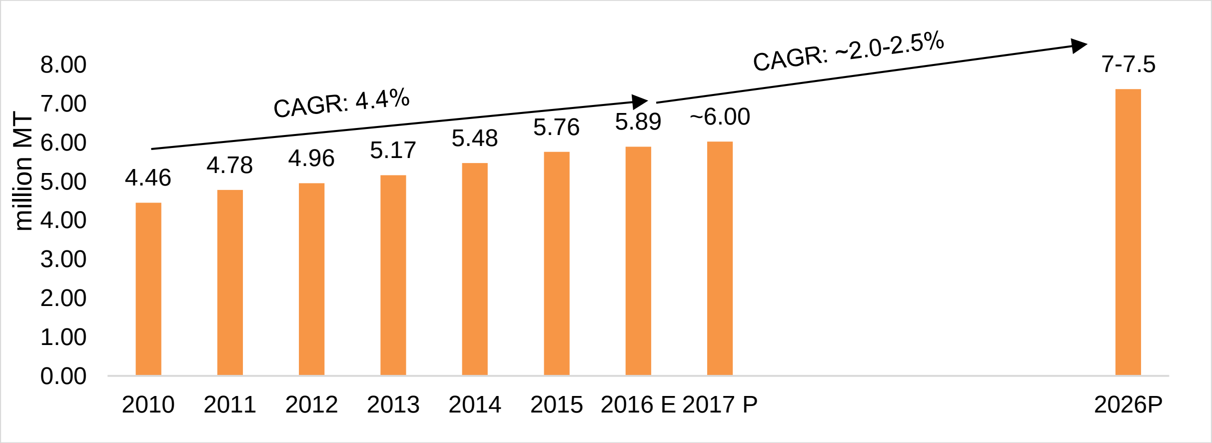
Globally

There are two sources for global shrimp production, namely capture fisheries and aquaculture. Until the 1960s and 1970s, the capture of shrimp was the key source contributing to global production, until overfishing and a high bycatch ratio led to a reduction in harvests and consequently a declining share in shrimp production. On the other hand, large-scale commercial shrimp farming started gaining prominence, especially in Asia.

In the last decade, aquaculture production has overtaken capture shrimp production. In 2017, shrimp and prawn production was the highest-ever production recorded. The share of aquaculture shrimp production stood at 72% of the global shrimp production in 2017 with a CAGR of 5.5% between 2010 and 2017. This has mainly been due to the 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.

CRISIL Research expects shrimp production, in particular, to grow over the next decade. In 2017, CRISIL Research estimated shrimp production was at its highest ever recorded levels of approximately 6.0 million MT. CRISIL Research notes that growth in global shrimp production during 2010-2017 (estimated) stood at a CAGR of 4.4%. Based on the OECD-FAO 2017-2026 Report, shrimp production is expected to increase to 7.0-7.5 million MT by 2026, i.e. a CAGR of 2.0-2.5%.

Global shrimp production



Source: FAO, OECD-FAO Agricultural Outlook 2017-2026, CRISIL Research

Across major regions

After being the one of the most-traded seafood products for decades, shrimp now ranks the second in terms of value. Shrimp and prawns are mainly produced in developing countries, and much of this production enters international trade. In certain countries like China, higher domestic consumption limits exports.

China, Indonesia, India, Ecuador and Vietnam are among the five leading nations for shrimp production as of 2015 (*Source: FAO*). While China's shrimp production grew at a CAGR of 4.2% during 2010-2015, CRISIL Research expects China to continue its growth trajectory due to strong domestic demand. Indonesia's production has stagnated during 2013 to 2015, mainly due to the outbreak of disease and unsuitable weather conditions. Ecuador's zero tariff towards exports to the EU, as part of the EU-Ecuador trade agreement, pushed up shrimp demand, leading production to grow at a CAGR of 12% during 2010-2015.

SUMMARY OF OUR BUSINESS

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements", "Our Business" and "Risk Factors" on pages 14, 119 and 16, respectively.

Overview

We are a leading producer of processed shrimp and shrimp feed headquartered in Visakhapatnam, Andhra Pradesh. For fiscal year 2017, we were the second largest exporter of shrimps from India in value terms and we have also received awards from MPEDA (an authority under the Ministry of Commerce and Industry) for two consecutive years (fiscal years 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India (*Source: CRISIL Research*). We have a 25 year history in shrimp processing and sell processed shrimp with varying degrees of value addition to our customers, located primarily in the United States. Our major customers in the United States include food service distributors, restaurant chains, retailers and distributors, and warehouse chains. We sell processed shrimp products in the United States market through our wholly owned subsidiary in the United States, Devi Sea Foods Inc. (the "**Subsidiary**"), which was incorporated in 2005. In March 2016, we started the complementary business of manufacturing quality shrimp feed.

We are an integrated player across the processed shrimp supply chain from shrimp seed production, raw shrimp procurement, processing, and overseas distribution to our customers. We procure raw shrimp primarily from aquaculture farmers across the east and west coast of India, and also produce small quantities of raw shrimp at our captive shrimp farms. We process raw shrimp into exportable "ready to eat" or "ready to cook" frozen forms at our processing facilities. We have two shrimp processing facilities located in Andhra Pradesh. As of December 31, 2017, the combined installed capacity of our shrimp processing facilities was 19,250 MT.

According to CRISIL Research, the global per capita consumption of seafood increased from nearly 18 kg in 2007 to over 20 kg in 2017 and is expected to increase further to approximately 22 kg by 2026, driven by rising population and disposable income. In 2017, India was the third largest seafood producer and the second largest aquaculture producer in the world and amongst the top five shrimp producers globally. As a result of its vast coastline, suitable climatic conditions for shrimp production, abundant availability of brackish water area, and abundant labor availability, shrimp production in India has grown at a CAGR of 30% for the period from 2010 to 2015. The United States is the biggest importer for processed shrimp in the world and is highly dependent on imports to meet its domestic requirements. CRISIL Research expects that over the next three years (fiscal 2018-2020), Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms and 15-16% in volume terms. Further, CRISIL Research expects the shrimp feed industry to grow at a CAGR of 15-17% in volume terms and 20-22% in value terms by fiscal year 2020. For further details, please see "*Industry Overview*" on page 91. We expect to leverage our strengths to capitalize on the growth in the processed shrimp and shrimp feed industry segments.

We export our processed shrimp primarily to North America and also to South-East Asia and other markets. In the United States, we have bulk supply orders from our major customers for the supply of processed shrimp, typically for a one year period, and in the case of our largest customer (in terms of revenue), three years. Our Subsidiary provides vendor managed inventory services to our major customers across various locations in the United States, which involves procurement of processed shrimp at pre-specified quality standards and product specifications (from our Company and from other producers based primarily in India, China and Indonesia), storing them in cold storage at warehouses in the United States and distributing to over 60 locations across the United States on a periodic basis. Our Subsidiary supplies shrimp through a "program" business model to our major customers, which we believe is a key competitive differentiator and has been instrumental in strengthening our relationship with these customers. Our major customers in the United States are a leading food service distributor, a full service restaurant chain, a seafood restaurant chain and a casual dining restaurant chain.

Further, we are excluded from anti-dumping duty levied by the United States Department of Commerce, in relation to the products manufactured and exported into the United States by us. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) We believe this provides us with a significant competitive advantage compared to other exporters of shrimp into the United States. For details, please see "*Industry Overview – Government Regulations in Key Consuming Countries*" on page 97.

In addition to our processed shrimp business segment, we manufacture shrimp feed under the "*Devee*" brand at our feed mill located in Andhra Pradesh. We commenced the production of shrimp feed in March 2016, and we believe that our shrimp feed has since been well received by the aquaculture farming community in India. We sell to shrimp farmers primarily in the states of Andhra Pradesh, Tamil Nadu, Gujarat and Odisha. We believe that our position in the shrimp industry has helped us to gain a sizeable market share in the Indian shrimp feed industry and our shrimp feed manufacturing capacity of 40,000 MT per annum which became operational by March 2016, was expanded to 80,000 MT per annum for the year ended March 31, 2017. We expect to add further capacity of 45,000 MT/PA by March 2018.

The table below sets forth certain key financial information in relation to our operations:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from operations	14,539.40	16,119.32	9,876.70	9,225.82
Total income	14,651.76	16,251.58	10,022.12	9,448.14
Revenue from operations as a percentage of total income (%)	99.23%	99.19%	98.55%	97.65%
Operating profit	2,143.73	1,599.90	1,139.53	1,044.38
Operating profit margin (%)(1)	14.74%	9.93%	11.54%	11.32%
EBITDA(2)	2,365.48	1,851.06	1,365.27	1,372.49
EBITDA Margin (%)(3)	16.14%	11.39%	13.62%	14.53%

Notes:

(1) *Operating profit margin is the ratio of operating profit to revenue from operations, expressed as a percentage.*
(2) *We calculate our EBITDA by adding back depreciation and amortization expenses and finance costs to our profit before tax, for each of the periods indicated.*
(3) *EBITDA Margin is the ratio of our EBITDA to our revenue from operations, expressed as a percentage.*

The table below sets forth certain key financial information relating to our shrimp segment:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from shrimp operations	11,769.92	14,500.18	9,869.1	9,216.15
% of total revenue from operations (%)	80.95	89.96	99.9	99.9
Operating profit from shrimp operations	1,452.51	1,385.96	1,134.77	1,037.36
Operating profit margin (%)(1)	12.34	9.56	11.67	11.56
EBITDA(2)	1,586.92	1,544.85	1,303.81	1,332.26
EBITDA Margin(3)	13.48%	10.65%	13.21%	14.46%

Notes:
(1) *Operating profit margin is the ratio of operating profit from shrimp operations to revenue from shrimp operations, expressed as a percentage.*
(2) *We calculate the EBITDA from our shrimp segment by adding back depreciation and amortization expenses and finance costs to profit before tax from the shrimp segment, for each of the periods indicated.*
(3) *EBITDA Margin is the ratio of EBITDA from our shrimp segment to the revenue from shrimp operations, expressed as a percentage.*

The table below sets forth certain key financial information relating to our shrimp feed segment:

	For the nine months ended December 31, 2017	**For financial year 2017**
	(Rs. in millions, except percentages)	
Revenue from shrimp feed	2,768.13	1,607.54
% of total revenue from operations (%)	19.04	9.97
Operating profit from shrimp feed	694.46	211.31
Operating profit margin (%)(1)	25.08	13.14
EBITDA(2)	744.46	250.78
EBITDA Margin(3)	26.89%	15.60%

Notes:

(1) *Operating profit margin is the ratio of operating profit from shrimp feed to revenue from shrimp feed, expressed as a percentage.*
(2) *We calculate the EBITDA from our shrimp feed segment by adding back depreciation and amortization expenses and finance costs to profit before tax from shrimp feed, for each of the periods indicated.*
(3) *EBITDA Margin is the ratio of EBITDA from our feed segment to the revenue from feed operations, expressed as a percentage.*

Competitive Strengths

Our leading market position in the fast-growing processed shrimp industry

As a result of its vast coastline, suitable climatic conditions for shrimp production, abundant availability of brackish water, and abundant labour availability, shrimp production in India has grown at a CAGR of 30% for the period from 2010 to 2015, from 0.1 million MT to 0.4 million MT (*Source: CRISIL Research*). We have an established presence in this fast-growing industry in India, with a 25 year history in shrimp processing, having commenced operations in 1992 For fiscal year 2017, we were the second largest exporter of shrimps from India in value terms and we have also received awards from MPEDA for two consecutive years (fiscal years 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India (*Source: CRISIL Research*) We believe that our market position and reputation as a quality manufacturer of processed shrimp has driven our revenue growth in prior periods. Our revenue from operations grew at a CAGR of 32.18%, increasing from Rs. 9,225.82 million in financial year 2015 to Rs. 16,119.32 million in financial year 2017.

The United States is the biggest importer for processed shrimp in the world and is highly dependent on the import of fishery products to meet its domestic requirements (*Source: CRISIL Research*). In the United States, as a result of our reputation for quality products and through the vendor managed inventory services of our Subsidiary, we have developed a "program" business, whereby we have bulk supply orders from our major customers for the supply of processed shrimp typically for one year and, in the case of our largest customer (in terms of revenue), three years. We source processed shrimp both from our operations in India and other processed shrimp producers based primarily in India, China and Indonesia, which we sell to our customers in the United States. CRISIL Research expects that over the next three years, Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms, growing from US$3.8 billion in 2017 to US$6.0-6.2 billion in fiscal 2020, and 15-16% in volume terms, growing from 434,000 MT in 2017 to 660,000-680,000 MT in 2020. For further details, please see "*Industry Overview*" on page 91.

Our established presence in this fast-growing industry provides us with a significant competitive advantage and we believe that we are well positioned to leverage our strengths towards the expected growth in the industry.

Our presence in the Indian shrimp feed industry

We believe that we enjoy a good reputation among the shrimp farming community by virtue of our long-standing relationship with shrimp farmers. To leverage our relationship with farmers and to capture the potential for shrimp feed products due to the increased production of white shrimp, we ventured into the shrimp feed business and commenced our feed manufacturing business in March 2016. We sell our shrimp feed under the brand name "*Devee*". In fiscal year 2017, we were among the top five players in the shrimp feed industry according to installed capacity (*Source: CRISIL Research*) For the nine months ended December 31, 2017 and financial year 2017, revenue from our shrimp feed business amounted to 19.04% and 9.97% of our total revenue from operations and operating profit from our shrimp feed business amounted to 31.90% and 12.93% of our total profit before tax. For the nine months ended December 31, 2017 and financial year 2017, the operating profit margin for our shrimp feed business was 25.08% and 13.14%, respectively.

According to CRISIL Research, feed constitutes a major share (approximately 50-70%) of the cost of production of shrimp farmers and we believe farmers choose feed brands with a good track record, high integrity and consistency in supply and quality (in terms of raw material composition). To arrive at the proper formulation for higher shrimp growth in Indian conditions, we conducted research into various combinations of ingredients. As a result, we believe our feed formulation is well suited to white shrimp aquaculture in Indian conditions. Further, our shrimp feed quality is made possible by the use of consistent quality ingredients. In addition, certain farmers to whom we sell our feed supply their harvested shrimp to us. Our relationship with farmers is further enhanced by the fact that our business is integrated across both the shrimp-processing segment and the shrimp feed segment. We believe that we have been able to leverage our strong brand recognition, established presence in the processed shrimp industry and good relationship with shrimp farmers. This has diversified our source of revenue and provided additional opportunities for growth. With the objective of gaining market share in the shrimp feed industry, we are expanding our shrimp feed business by increasing our production capacity to 45,000 MT per annum by March 2018.

Our "program" business model and long-standing relationships with major customers

Through our Subsidiary, we follow a "program" business model with our major customers in the United States, whereby we have bulk supply orders from these customers for the regular supply of processed shrimp typically for periods up to a year, and in the case of our largest customer (in terms of revenue), three years. As a result of the scale of our procurement and processing operations, we believe we are able to commit to supplying large volumes of processed shrimp at pre-specified delivery schedules and at a quality that meets our customers' requirements. Our major customers in the United States are food service distributors, restaurant chains, retailers and distributors, and warehouse chains that require large quantities of processed shrimp specifically produced as per their customized requirements and delivered to them over an agreed delivery schedule. Our Subsidiary provides vendor managed inventory services to our major customers in the United States, which include the procurement of processed shrimp at pre-specified quality standards (from our Company and other producers based primarily in India, China and Indonesia), storing them in cold storage at our warehouses in the United States and distribute to over 60 locations across the United States, where our customers have their presence. As a result of our experience in quality processed shrimp production and procurement, storage, supply, inventory management and delivery logistics we have long-standing relationships with our major customers in the United States. We have a three-year supply contract with our largest customer (in terms of revenue) and one-year supply contracts with our other major customers. We have supplied processed shrimp to our major customers for several years – for example, we have been the shrimp vendor for a leading food service distributor since 2007 and have been supplying processed shrimp to a leading casual dining restaurant chains in the US since the year 2000. For details, see "*Our Business Operations - Our Shrimp Division - Our Processed Shrimp Customers and "Program" Business*" on page 131.

We believe that our "program" business model is a key competitive advantage, as it provides us with visibility of our order book at the beginning of each financial year, opportunity for value-added production and higher price realizations and ease in production scheduling. Our "program" business model also benefits our customers as it provides an assured product supply, product customization and better purchase terms, which we believe leads to customer loyalty and stickiness. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, our major customers contributed (with whom we have "program" business) revenue of Rs. 9,081.00 million, Rs. 11,776.17 million, Rs. 7,565.09 million and Rs. 6,371.86 million, which constituted 77.15%, 81.21%, 76.65% and 71.27%, respectively, of our total revenue from operations. The volume of products which we sell to such major customers grew at a CAGR of 47.48%, from 7,098 MT tons in financial year 2015 to 15,439 MT tons in financial year 2017.

Further, we believe that our "program" business model is difficult for competitors to emulate as it requires large-scale production resources, global procurement capacity of quality shrimp and supply chain infrastructure beyond the country of manufacture. In addition, there also exist tariff barriers (in the form of anti-dumping and other duties) in markets such as the United States, which function as barriers to entry.

Our integrated supply chain operations comprising high volume raw shrimp procurement capabilities and quality processing facilities

Our supply chain operations are integrated from shrimp seed harvesting, raw shrimp procurement, processing, and overseas distribution to our customers. This integration allows us to control the entire processed shrimp production value chain and also provides us with greater food security and traceability.

Our high volume procurement capabilities are a significant advantage and we have long-standing relationships with farmers through whom we purchase raw shrimp. We procure shrimp from both retail farmers and corporate farms located primarily in the state of Andhra Pradesh, and also from farms located in the states of Tamil Nadu, West Bengal, Odisha and Gujarat. Our procurement infrastructure across the east and west coast of India comprises a network of farmers, post-harvest handling infrastructure such as insulated trucks.

Since our inception, we have endeavoured to gain the trust of shrimp farmers, as a dependable vendor to which they can offer their products throughout the year. Due to the scale of our operations and global sales, we are able to purchase large quantities of raw shrimp in different sizes and at all times of the year, which we believe has resulted in the development of our long-standing relationship with farmers. Further, we provide payment settlement directly to farmers through a transparent weighing and payment method, where we pay them directly within 24 hours. We believe this transparent and fast payment system has helped us to gain the trust of shrimp farmers in India, and is one of the key reasons for our popularity and long-standing relationship with our network of shrimp farmers.

Further, we have two shrimp processing facilities located in close proximity to the shrimp farming regions of Andhra Pradesh. As of December 31, 2017, the combined installed capacity of our shrimp processing facilities was 19,250 MT per annum. Both of our processing facilities are equipped with advanced laboratory facilities for raw material and finished product analysis and follow a Hazard Analysis and Critical Control Points ("**HACCP**") compliant production system. Our processing facilities adhere to the guidelines of the U.S. Food and Drug Administration ("**FDA**"), and the EU Veterinary Authority. Our processing facilities, shrimp farms and shrimp hatcheries are also certified by the Global Aquaculture Alliance Best Aquaculture Practices ("**BAP**").

For the nine months ended December 31, 2017 and the financial year ended March 31, 2017, we sold 12,902.27 MT and 13,304 MT of processed shrimp at our processing facilities, respectively, with varying degrees of value addition. We believe our wide-ranging value-added product portfolio is one of our key differentiators. We offer a variety of processed shrimp to our customers, which includes head-on shrimp, shell-on shrimp, easy peel shrimp, peeled deveined tail-on/off shrimp, peeled deveined tail-on butterfly shrimp and cooked shrimp. Our processing infrastructure, our workforce comprising skilled and unskilled workers and equipment for carrying out operations such as sizing, phosphate soaking, steam cooking, freezing and storage enables us to produce a variety of processed shrimp in large quantities, which is a key competitive strength for us.

Economic advantages for our exports to the United States, arising from anti-dumping duty exclusion

We have been excluded from anti-dumping duty levied by the United States Department of Commerce upon shrimp exporters from China, Thailand, Vietnam and India. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) Under the WTO framework, anti-dumping duty is levied when products are sold at less than fair value in export markets. As a result of our focus on value-added products which command higher pricing and our established presence in the United States, we were excluded from anti-dumping duty. We believe that this exclusion provides us with a significant competitive advantage for sales into the United States, as new exporters from India have to pay an anti-dumping duty at the rate of 10.17% and existing exporters from India pay a rate that is subject to revision every year, and is applied retrospectively at the end of each year.

We also believe that the exemption from anti-dumping duty is a reflection of our fair trade practices and has helped in securing repeat business from our major customers in the United States.

Experienced Management Team

We have a strong management team with significant industry experience. P. Brahmanandam, our Promoter and Chairman and Managing Director, has over 25 years of experience in the shrimp industry. He was instrumental in setting up and expanding our operations. K.A. John, our Whole-time Director, has more than 20 years of experience in the shrimp industry and oversees our marketing function in India. Further, Sambasiva Rao Gadde, our Whole-time Director, has over 15 years of experience in finance sector and oversees our financial functions. In addition, the operations of our Subsidiary are led by Sreeram Atluri, a director of our Subsidiary, who has served previously as the chief marketing officer of our Company before being appointed as a director of our Subsidiary.

We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

Our Strategy

Leverage our strengths to capitalize on the expected growth in the Indian processed shrimp industry

According to CRISIL Research, the global per capita consumption of seafood increased from nearly 18 kg in 2007 to over 20 kg in 2016 and is expected to increase further to approximately 22 kg by 2026, driven by rising population and disposable income. Further, CRISIL Research expects that over the next three years, Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms and 15-16% in volume terms. For further details, please see "*Industry Overview*" on page 91. We believe our existing scale of operations and reputation as a quality processed shrimp producer will allow us to capitalize on the growth in the processed shrimp industry. Our processing plants are located in close proximity to the main shrimp farming regions of Andhra Pradesh. In addition, as a result of our long standing relationship with our farmers and strong procurement network, we are able to regularly procure raw shrimp required for our processing facilities. Our revenues have grown over the past years, as a result of organic growth with our major customers and through the addition of new customers and we aim to continue expanding our production volumes. We believe these factors will allow us to capitalize on the expected growth in the Indian processed shrimp industry.

Generate organic growth through capacity expansion to fulfil demand requirements of our program customers

Our Subsidiary procures processed shrimp both from our Company's operations in India and from other producers in countries such as India, China and Indonesia. For the nine months ended December 31, 2017 and the financial year ended March 31, 2017, our Subsidiary procured 25.22% and 24.41% of processed shrimp sold by it to our customers in the United States from external companies. We believe that there is a potential for us to expand our capacity in order to meet the additional demand requirements of our major customers in the United States that is currently met by purchases from other companies. With a view to expanding our operations and increasing our capacity, we intend to build a new processing plant in southern Andhra Pradesh.

We expect that our new production facility will enable us to increase our production volumes, thereby enabling us to increase our business and profitability with our existing customers. We also expect to derive benefits from economies of scale through increase in our production capacity.

Expansion into new geographic markets

We are currently evaluating opportunities of expanding our export operations into China and Japan. In addition, we are also exploring opportunities for expanding our operations into Canada (where we are exploring opportunities to supply processed shrimp to our existing customers that have operations there) and the Middle East (where we are targeting food service companies). According to CRISIL Research, fish forms an important component of protein intake in China. Going forward, the OECD-FAO Agricultural Outlook 2017-2026 report and CRISIL Research projects steady growth in seafood consumption in China. Further, CRISIL Research notes that Japan is also highly dependent on imports of fishery products.

Expand our shrimp feed operations

CRISIL Research expects the Indian aqua feed industry to grow at a CAGR of 17-19% by fiscal year 2020. In 2017, within two years of commencement of our shrimp feed business we were able to gain significant market share and increase our shrimp feed sales from 25,571 MT (for the year ended March 31, 2017) to 43,926MT (for the nine months December 31, 2017). We currently have one feed mill located at Peddapuram, in the East Godavari district of Andhra Pradesh, with a shrimp feed production capacity of 80,000 MT per annum. Another feed mill with a production capacity of 45,000 MT located at the Prakasam District of Andhra Pradesh is presently under construction and is expected to be operational by March 2018. We currently sell our shrimp feed predominantly to farmers in Andhra Pradesh. We intend to expand our distribution network in states such as Gujarat, Odisha and Tamil Nadu where we currently sell shrimp feed in small quantities, in order to meet the increasing demand in these states.

Diversify our product base with the addition of newer value-added shrimp products

We believe that offering newer, value-added products will assist us in diversifying our business with existing customers as well as attracting new customers. We have identified products such as skewered, stretched and marinated shrimp that command a premium in the market, as products that we intend to focus upon. We currently produce these products in limited volumes, but aim to increase our production of such products, as we expand our capacity by building our new processing plants.

We also work closely with some of our major customers to analyse market trends and feedback from their end-customers, which helps us in developing new products that we can add to our portfolio.

Selectively acquire new customers

We aim to selectively acquire new customers, primarily restaurant chains and retail chains. Our sales and marketing team in the United States comprises a team of experienced employees and pursues new business development opportunities through active engagement with target customers. We also benefit from referrals from our existing customers. As a result of our established reputation and our success in our "program" business model, we believe we are well suited to acquire new customers in the same industry sectors as our current major customers. Further, we believe our proposed processed shrimp production capacity expansion will also allow us to cater to demand from new customers.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The summary financial information presented hereinafter should be read in conjunction with the Restated Financial Statements, the notes thereto and "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 174 and 291 respectively.

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Devi Sea Foods Limited
Restated Consolidated Statement of Assets and Liabilities
(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
ASSETS							
Non-current assets							
Property, plant and equipment	5(a)	991.05	950.73	689.59	464.64	429.26	391.13
Capital work-in-progress	5(b)	221.25	1.07	-	0.33	9.09	2.59
Intangible assets	5(c)	0.15	0.28	-	-	-	-
Investment in associate		237.18	235.56	9.96	9.80	-	-
Financial assets							
-Investments	6(a)	494.38	500.68	466.16	446.41	313.95	270.00
-Loans	6(b)	34.55	31.33	24.39	17.44	18.11	13.91
-Other financial assets	6(g)	24.45	107.54	112.71	3.22	27.53	25.41
Deferred tax assets (net)	14(b)	61.64	44.43	42.44	44.16	97.65	16.77
Other non-current assets	7	79.93	65.45	57.63	102.34	54.58	99.37
Total non-current assets		**2,144.58**	**1,937.07**	**1,402.88**	**1,088.35**	**950.17**	**819.18**
Current assets							
Inventories	8.	4,082.93	2,847.52	2,562.44	1,238.00	1,142.40	822.42
Financial assets							
-Investments	6(b)	-	-	221.43	5.23	4.23	3.00
-Trade receivables	6(d)	2,088.90	1,821.64	900.30	899.97	1,127.04	651.56
-Cash and cash equivalents	6(e)	171.92	436.42	496.11	179.92	434.35	145.34
-Bank balances other than cash and cash equivalents	6(f)	63.66	105.54	189.70	485.57	232.36	394.30
-Other financial assets	6(g)	37.40	53.18	26.84	44.01	9.12	21.63
Other current assets	9	167.97	353.05	193.23	280.87	232.97	235.16
Total current assets		**6,612.78**	**5,617.35**	**4,590.05**	**3,133.57**	**3,182.47**	**2,273.41**
Total assets		**8,757.36**	**7,554.42**	**5,992.93**	**4,221.92**	**4,132.64**	**3,092.59**

Devi Sea Foods Limited

Restated Consolidated Statement of Assets and Liabilities

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	10	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	11	6,196.41	4,800.00	3,773.15	2,945.65	2,144.06	1,546.92
Equity attributable to owners		**6,236.41**	**4,840.00**	**3,813.15**	**2,985.65**	**2,184.06**	**1,586.92**
Non-controlling interest		-	-	-	1.72	1.72	1.72
Total equity		**6,236.41**	**4,840.00**	**3,813.15**	**2,987.37**	**2,185.78**	**1,588.64**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
-Borrowings	12(a)	97.12	106.91	106.92	118.67	122.50	46.67
Provisions	13	1.56	10.71	7.99	6.28	3.62	3.42
Deferred tax liabilities (net)	14(a)	208.72	201.76	250.45	218.76	195.79	121.19
Total non-current liabilities		**307.40**	**319.38**	**365.36**	**343.71**	**321.91**	**171.28**
Current liabilities							
Financial liabilities							
-Borrowings	12(b)	1,478.54	1,901.39	1,622.35	762.61	1,458.45	1,237.06
-Trade payables	12(c)	367.22	192.36	83.32	31.21	40.30	38.51
-Other financial liabilities	12(d)	125.39	78.88	64.75	49.74	34.34	24.05
Other current liabilities	15	47.24	46.76	15.23	26.55	16.31	15.02
Provisions	13	-	1.10	0.91	0.73	1.08	0.42
Current tax liabilities (net)		195.16	174.55	27.86	20.00	74.47	17.61
Total current liabilities		**2,213.55**	**2,395.04**	**1,814.42**	**890.84**	**1,624.95**	**1,332.67**
Total liabilities		**2,520.95**	**2,714.42**	**2,179.78**	**1,234.55**	**1,946.86**	**1,503.95**
Total equity and liabilities		**8,757.36**	**7,554.42**	**5,992.93**	**4,221.92**	**4,132.64**	**3,092.59**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

Devi Sea Foods Limited
Restated Consolidated Statement of Profit and Loss
(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from operations	16	14,539.40	16,119.32	9,876.70	9,225.82	8,924.70	5,652.76
Other income	17	112.36	132.26	145.42	222.32	49.74	218.41
Total income		**14,651.76**	**16,251.58**	**10,022.12**	**9,448.14**	**8,974.44**	**5,871.17**
Expenses							
Cost of materials consumed	18	9,216.13	9,714.54	6,905.89	6,879.65	6,417.60	3,305.34
Purchase of stock-in-trade		2,708.51	3,202.99	1,604.87	165.54	575.76	888.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(1,088.18)	(35.51)	(1,152.59)	(39.82)	(238.45)	168.47
Employee benefits expense	20	307.81	330.50	243.65	209.80	153.68	113.76
Finance costs	21	71.48	90.43	31.35	33.71	61.53	52.98
Depreciation and amortisation expense		116.72	126.15	90.15	89.37	55.64	49.93
Other expenses	22	1,142.01	1,188.01	1,055.02	860.49	911.75	729.04
Total expenses		**12,474.49**	**14,617.11**	**8,778.35**	**8,198.73**	**7,937.52**	**5,307.93**
Profit before tax		2,177.27	1,634.47	1,243.77	1,249.41	1,036.91	563.24
Tax expense	23						
Current tax		773.84	628.27	399.91	369.79	366.15	183.74
Deferred tax		(10.82)	(50.75)	32.00	76.18	(6.27)	13.41
Profit after tax before share of net profits of investments accounted for using equity method		**1,414.25**	**1,056.95**	**811.86**	**803.44**	**677.03**	**366.09**
Share of equity-accounted investee, net of tax		1.63	(1.40)	0.16	0.00	-	-
Profit for the period / year		**1,415.88**	**1,055.55**	**812.02**	**803.44**	**677.03**	**366.09**
Other comprehensive income (OCI)							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit obligation		0.47	(0.76)	(0.41)	(1.99)	0.58	(0.79)
Income tax relating to these items		(0.16)	0.26	0.17	0.68	(0.15)	0.26
		0.31	**(0.50)**	**(0.24)**	**(1.31)**	**0.43**	**(0.53)**
Items that will be reclassified to profit or loss							
Foreign currency translation adjustments		(14.97)	(28.20)	39.79	23.53	13.28	5.41
		(14.97)	**(28.20)**	**39.79**	**23.53**	**13.28**	**5.41**
Other comprehensive income/(loss) for the period / year		**(14.66)**	**(28.70)**	**39.55**	**22.22**	**13.71**	**4.88**
Total comprehensive income for the period / year		**1,401.22**	**1,026.85**	**851.57**	**825.66**	**690.74**	**370.97**
Earnings per equity share [EPES] [in absolute ₹]	24						
Nominal value per equity share		2	2	2	2	2	2
Basic and Diluted EPES		23.60	17.59	13.53	13.39	11.28	6.10

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

Devi Sea Foods Limited
Restated Consolidated Statement of Cash Flows
(All amounts in ₹ million, except share data and where otherwise stated)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities						
Profit before tax	**2,177.27**	**1,634.47**	**1,243.77**	**1,249.41**	**1,036.91**	**563.24**
Adjustments for:						
Depreciation and amortisation expense	116.72	126.15	90.15	89.37	55.64	49.93
Finance cost	71.48	90.43	31.35	33.71	61.53	52.98
Interest income	(5.70)	(22.97)	(27.86)	(25.92)	(29.29)	(26.23)
Net (gain)/loss on financial instruments at FVTPL, net	15.19	(23.26)	16.50	(35.62)	11.09	(97.07)
Gain on sale of investments, net	-	(11.15)	(10.46)	(0.05)	-	(0.01)
Gain from investment in insurance policies	(35.15)	(28.69)	(28.39)	(16.69)	(17.54)	(5.73)
Employee benefits provision	(9.94)	2.41	1.65	1.00	1.29	0.59
Profit on disposal of property, plant and equipment, net	(0.11)	(0.88)	(0.71)	(1.16)	(1.49)	(77.29)
Receipt of government assistance related to assets	(22.34)	(2.08)	(34.77)	(0.42)	(10.48)	(4.97)
Operating Cash Flow before working capital changes	**2,307.43**	**1,764.44**	**1,281.23**	**1,293.63**	**1,107.67**	**455.44**
Adjustments for:						
Change in loans	(3.23)	(6.94)	(6.94)	0.52	(4.18)	(3.50)
Change in inventories	(1,276.73)	(337.01)	(1,230.14)	(39.90)	(238.18)	168.68
Change in trade receivables	(284.92)	(961.08)	34.04	250.78	(435.89)	(353.34)
Change in other current assets	185.04	(160.09)	87.52	(47.34)	6.23	216.79
Change in trade payables	204.15	148.41	(11.67)	(39.05)	(40.52)	(52.47)
Change in other financial liabilities	16.83	12.02	46.38	(1.56)	(6.99)	13.26
Change in other current liabilities	(5.57)	10.48	2.78	(4.98)	2.07	3.66
Cash generated from operating activities	**1,143.00**	**470.23**	**203.21**	**1,412.11**	**390.21**	**448.53**
Income taxes paid	(752.70)	(481.40)	(392.59)	(425.72)	(309.70)	(186.37)
Net cash generated from/(used in) operating activities (A)	**390.30**	**(11.17)**	**(189.38)**	**986.39**	**80.51**	**262.16**
Cash flow from investing activities						
Purchase of property, plant and equipment	(355.61)	(372.38)	(251.32)	(162.77)	(63.33)	(118.75)
Proceeds from sale of property, plant and equipment	2.20	2.97	1.14	5.82	16.54	227.03
Purchase of intangible assets	-	(0.28)	-	-	-	-
Investment in associate	-	(227.00)	-	(9.80)	-	-
Investment in key man insurance policies	-	(17.03)	(17.03)	(126.30)	(26.41)	(133.09)
Receipts from key man insurance policies	41.45	11.20	25.67	10.50	-	-
Receipts from sale of investment in subsidiary	-	-	5.38	-	-	-
Change in current investments, net	-	229.62	(205.02)	(0.42)	(0.49)	0.80
Investments/(redemptions) in term deposits, net	124.97	89.33	186.38	(228.90)	159.82	(343.12)
Interest received	6.29	22.85	27.81	26.16	29.97	34.47
Net cash generated from/(used in) investing activities (B)	**(180.70)**	**(260.72)**	**(226.99)**	**(485.71)**	**116.10**	**(332.66)**

Devi Sea Foods Limited

Restated Consolidated Statement of Cash Flows

(All amounts in ₹ million, except share data and where otherwise stated)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from financing activities						
Proceeds from long-term borrowings	0.07	0.07	-	-	78.87	43.29
Repayment of long-term borrowings	(9.86)	(0.08)	(11.75)	(3.83)	(3.04)	(0.00)
(Repayment)/proceeds from short term borrowings (net)	(407.03)	304.48	832.32	(715.59)	152.22	220.30
Dividends paid (including tax on distributed profit)	(4.81)	-	(48.14)	-	(93.60)	-
Interest paid	(50.89)	(90.43)	(43.56)	(36.80)	(46.23)	(52.98)
Net cash generate from/(used in) financing activities (C)	**(472.52)**	**214.04**	**728.86**	**(756.22)**	**88.22**	**210.61**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(262.92)**	**(57.85)**	**312.49**	**(255.54)**	**284.83**	**140.11**
Effect of exchange rate changes on cash and cash equivalents	(1.58)	(1.84)	3.70	1.11	4.18	1.60
Cash and cash equivalents at the beginning of the period / year	436.42	496.11	179.92	434.35	145.34	3.63
Cash and cash equivalents at the end of the period / year	**171.92**	**436.42**	**496.11**	**179.92**	**434.35**	**145.34**

Note 1:

The above Restated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

Note 2:

Figures in bracket indicate cash outflow.

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

Devi Sea Foods Limited
Restated Standalone Statement of Assets and Liabilities
(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
ASSETS							
Non-current assets							
Property, plant and equipment	5(a)	990.48	950.60	689.51	458.39	423.00	384.86
Capital work-in-progress	5(b)	221.25	1.07	-	0.33	9.09	2.59
Intangible assets	5(c)	0.15	0.28	-	-	-	-
Financial assets							
-Investments	6(a)	769.72	776.02	495.81	481.44	339.18	283.47
-Loans	6(c)	34.45	31.22	24.28	17.34	17.86	13.68
-Other financial assets	6(g)	24.45	107.54	112.71	3.22	27.53	25.41
Other non-current assets	7	79.93	65.45	57.63	102.34	54.58	99.37
Total non-current assets		**2,120.42**	**1,932.18**	**1,379.94**	**1,063.06**	**871.24**	**809.38**
Current assets							
Inventories	8	899.82	692.09	369.44	76.99	104.23	61.26
Financial assets							
-Investments	6(b)	-	-	221.43	5.23	4.23	3.00
-Trade receivables	6(d)	3,009.46	2,071.11	1,628.04	1,334.56	1,502.73	712.56
-Cash and cash equivalents	6(e)	58.13	328.14	326.96	136.96	244.69	106.68
-Bank balances other than cash and cash equivalents	6(f)	63.66	105.54	189.70	485.57	232.36	394.30
-Other financial assets	6(g)	37.40	53.18	26.84	44.01	9.12	21.63
Other current assets	9	167.97	345.27	193.23	261.77	224.83	197.79
Total current assets		**4,236.44**	**3,595.33**	**2,955.64**	**2,345.09**	**2,322.19**	**1,497.22**
Total assets		**6,356.86**	**5,527.51**	**4,335.58**	**3,408.15**	**3,193.43**	**2,306.60**

Devi Sea Foods Limited

Restated Standalone Statement of Assets and Liabilities

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	10	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	11	5,110.59	3,816.86	3,002.09	2,482.46	1,904.85	1,435.40
Total equity		**5,150.59**	**3,856.86**	**3,042.09**	**2,522.46**	**1,944.85**	**1,475.40**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
-Borrowings	12(a)	97.12	106.91	106.92	118.67	122.50	46.67
Provisions	13	1.56	10.71	7.99	6.28	3.62	3.42
Deferred tax liabilities (net)	14	208.85	201.76	250.45	218.76	195.90	121.19
Total non-current liabilities		**307.53**	**319.38**	**365.36**	**343.71**	**322.02**	**171.28**
Current liabilities							
Financial liabilities							
-Borrowings	12(b)	295.25	899.63	804.47	398.96	806.37	582.76
-Trade payables	12(c)	243.95	170.02	53.75	52.40	34.38	30.47
-Other financial liabilities	12(d)	132.48	90.99	63.72	55.86	41.42	21.25
Other current liabilities	15	37.65	37.03	5.28	14.03	13.91	15.02
Provisions	13	-	1.10	0.91	0.73	0.48	0.42
Current tax liabilities (net)		189.41	152.50	-	20.00	30.00	10.00
Total current liabilities		**898.74**	**1,351.27**	**928.13**	**541.98**	**926.56**	**659.92**
Total liabilities		**1,206.27**	**1,670.65**	**1,293.49**	**885.69**	**1,248.58**	**831.20**
Total equity and liabilities		**6,356.86**	**5,527.51**	**4,335.58**	**3,408.15**	**3,193.43**	**2,306.60**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

Devi Sea Foods Limited

Restated Standalone Statement of Profit and Loss

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from operations	16	12,468.36	12,200.49	8,523.86	8,585.78	8,085.78	4,322.21
Other income	17	117.41	137.89	149.31	224.71	50.13	218.41
Total income		**12,585.77**	**12,338.38**	**8,673.17**	**8,810.49**	**8,135.91**	**4,540.62**
Expenses							
Cost of materials consumed	18	9,216.13	9,670.93	6,865.31	6,857.64	6,326.86	3,286.83
Changes in inventories of finished goods and work-in-progress	19	(19.18)	(21.16)	(214.89)	27.31	(43.24)	31.40
Employee benefits expense	20	273.63	277.50	201.10	171.28	120.41	90.89
Finance costs	21	54.71	72.32	18.26	22.09	41.57	22.49
Depreciation and amortisation expense		116.70	126.00	90.15	89.37	55.64	49.93
Other expenses	22	945.59	946.49	873.69	722.30	762.01	603.26
Total expenses		**10,587.58**	**11,072.08**	**7,833.62**	**7,889.99**	**7,263.25**	**4,084.80**
Profit before tax		1,998.19	1,266.30	839.55	920.50	872.66	455.82
Tax expense	23						
Current tax		693.22	499.46	263.75	293.97	235.48	153.79
Deferred tax		6.74	(48.43)	31.86	23.54	74.56	6.15
Profit for the year		**1,298.23**	**815.27**	**543.94**	**602.99**	**562.62**	**295.88**
Other comprehensive income (OCI)							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit obligation		0.47	(0.76)	(0.41)	(1.99)	0.58	(0.79)
Income tax relating to these items		(0.16)	0.26	0.17	0.68	(0.15)	0.26
Other comprehensive income/(loss) for the period / year		**0.31**	**(0.50)**	**(0.24)**	**(1.31)**	**0.43**	**(0.53)**
Total comprehensive income for the period / year		**1,298.54**	**814.77**	**543.70**	**601.68**	**563.05**	**295.35**
Earnings per equity share [EPES] [in absolute ₹]	24						
Nominal value per equity share		2	2	2	2	2	2
Basic and Diluted EPES		21.64	13.59	9.07	10.05	9.38	4.93

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

Devi Sea Foods Limited

Restated Standalone Statement of Cash Flows

(All amounts in ₹ million, except share data and where otherwise stated)

		For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities							
Profit before tax		**1,998.19**	**1,266.30**	**839.55**	**920.50**	**872.66**	**455.82**
Adjustments for:							
Depreciation and amortisation expense		116.70	126.00	90.15	89.37	55.64	49.93
Finance cost		54.71	72.32	18.26	22.09	41.57	22.49
Interest income		(5.70)	(22.97)	(27.86)	(25.92)	(29.29)	(26.23)
Net (gain)/loss on financial instruments at FVTPL, net		(15.19)	(23.26)	16.50	(35.62)	11.09	(97.07)
Gain on sale of investments, net		-	(11.15)	(10.46)	(0.05)	-	(0.01)
Guarantee fee income		(5.05)	(5.63)	(4.55)	(4.54)	(0.39)	-
Gain from investment in insurance policies		(35.15)	(28.69)	(28.39)	(16.69)	(17.54)	(5.73)
Employee benefits provision		(9.94)	2.41	1.65	1.60	0.69	0.59
Profit on disposal of property, plant and equipment, net		(0.11)	(0.88)	(0.71)	(1.16)	(1.49)	(77.29)
Receipt of government assistance related to assets		(22.34)	(2.08)	(34.77)	(0.42)	(10.48)	(4.97)
Operating Cash Flow before working capital changes		**2,076.12**	**1,372.37**	**859.37**	**949.16**	**922.46**	**317.53**
Adjustments for:							
Change in loans		(3.23)	(6.94)	(6.94)	0.52	(4.18)	(3.50)
Change in other financial assets		30.37	-	-	-	-	(20.29)
Change in inventories		(207.73)	(322.65)	(292.45)	27.24	(42.97)	31.67
Change in trade receivables		(938.35)	(443.07)	(293.48)	168.17	(790.17)	21.11
Change in other current assets		177.30	(152.04)	68.54	(36.94)	(27.04)	230.95
Change in trade payables		74.07	116.27	1.35	18.02	3.91	(12.61)
Change in other financial liabilities		16.70	12.02	22.31	21.91	(6.39)	33.55
Change in other current liabilities		(5.56)	10.47	2.83	(4.97)	2.06	3.67
Cash generated from operating activities		**1,219.69**	**586.43**	**361.53**	**1,143.11**	**57.68**	**602.08**
Income taxes paid		(655.96)	(347.22)	(283.92)	(304.65)	(215.33)	(164.05)
Net cash generated from/(used in) operating activities	**A**	**563.73**	**239.21**	**77.61**	**838.46**	**(157.65)**	**438.03**
Cash flow from investing activities							
Purchase of property, plant and equipment		(355.55)	(372.52)	(251.16)	(162.76)	(63.34)	(118.75)
Proceeds from sale of property, plant and equipment		2.20	2.97	1.14	5.82	16.54	227.03
Purchase of intangible assets		-	(0.28)	-	-	-	-
Investment in associate		-	(227.00)	-	(9.80)	-	-
Investment in key man insurance policies		-	(17.03)	(17.03)	(126.30)	(26.41)	(133.09)
Receipts from key man insurance policies		41.45	11.20	25.67	10.50	-	-
Receipts from sale of investment in subsidiary		-	-	5.38	-	-	-
Change in current investments, net		-	229.62	(205.02)	(0.42)	(0.49)	0.80
Investments/(redemptions) in term deposits, net		124.97	89.33	186.38	(228.90)	159.82	(343.12)
Interest received		6.29	22.85	27.81	26.16	29.97	34.47
Net cash generated from/(used in) investing activities	**B**	**(180.64)**	**(260.86)**	**(226.83)**	**(485.70)**	**116.09**	**(332.66)**

Devi Sea Foods Limited
Restated Standalone Statement of Cash Flows
(All amounts in ₹ million, except share data and where otherwise stated)

		For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from financing activities							
Proceeds from long-term borrowings		0.07	0.07	-	-	78.87	43.29
Repayment of long-term borrowings		(9.86)	(0.08)	(11.75)	(3.83)	(3.04)	(0.00)
(Repayment)/proceeds from short term borrowings (net)		(604.38)	95.16	405.51	(407.41)	223.61	2.50
Dividends paid (including tax on distributed profit)		(4.81)	-	(24.07)	(24)	(93.60)	-
Interest paid		(34.12)	(72.32)	(30.47)	(25.18)	(26.27)	(22.49)
Net cash generate from/(used in) financing activities	**C**	**(653.10)**	**22.83**	**339.22**	**(460.49)**	**179.57**	**23.30**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(270.01)	1.18	190.00	(107.73)	138.01	128.67
Cash and cash equivalents at the beginning of the period/ year		328.14	326.96	136.96	244.69	106.68	(21.99)
Cash and cash equivalents at the end of the period/ year		**58.13**	**328.14**	**326.96**	**136.96**	**244.69**	**106.68**

Note 1 :
The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

Note 2 :
Figures in bracket indicate cash outflow.

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

THE OFFER

The following table summarizes the Offer details:

Offer(1)	Up to [●] Equity Shares aggregating up to ₹9,000 million
of which	
Employee Reservation Portion(2)	Up to [●] Equity Shares aggregating up to ₹[●] million
Accordingly,	
Net Offer	Up to [●] Equity Shares
of which	
QIB Portion (3)(4)	Not more than [●] Equity Shares
of which	
Anchor Investor Portion	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))(5)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion(3)	Not less than [●] Equity Shares
Retail Portion(3)(5)	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	[●] Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares

Our Company will not receive any proceeds from the Offer since the Offer is being made through an offer for sale by the Selling Shareholders.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids, being received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 348.

(1) *The Offer has been authorised by the Board of Directors pursuant to its resolutions dated January 12, 2018 and February 9, 2018, and by the Shareholders pursuant to resolutions passed in their extraordinary general meeting dated January 30, 2018. Details of the Equity Shares offered by the Selling Shareholders in the Offer are as follows:*

S. No.	***Selling Shareholder***	***Equity Shares of value of up to (₹, in million)***	***Date of consent letters***
1.	*P. Brahmanandam*	*4,240*	*February 7, 2018*
2.	*P. Suryavathi*	*420*	*February 7, 2018*
3.	*P. Rama Devi*	*2,170*	*February 7, 2018*
4.	*N. Naveena*	*2,170*	*February 7, 2018*

The Equity Shares being offered for sale by the Selling Shareholders in the Offer have been held by such Selling Shareholders for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI and accordingly, are eligible for being offered for sale in the Offer in accordance with Regulation 26(6) of the SEBI ICDR Regulations

(2) *The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion*

(3) *Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories*

(4) *Our Company and Selling Shareholders may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 348. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion*

(5) *Subject to valid Bids being received at or above the Offer Price, our Company and Selling Shareholders may in consultation with the Lead Managers offer a Retail Discount to Retail Individual Bidders in accordance with the SEBI ICDR Regulations*

Note: The Employee Discount and the Retail Discount, if any, will be determined by our Company and Selling Shareholders in consultation with the Lead Managers and will be advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Telugu newspaper [●] (Telugu being the regional language of Andhra Pradesh, where the Registered Office of our Company is situated), each with wide circulation, 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 respective websites. Retail Individual Bidders bidding in the Retail Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount), at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount), at the time of making a Bid. Retail Individual Bidders bidding in the Retail Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price (less Retail Discount) at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price less Employee Discount at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Employee Discount) does not exceed ₹500,000. Retail Individual Bidders bidding in the Retail Portion must ensure that the Bid Amount (which will be less Retail Discount) does not exceed ₹200,000. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Bid Amount while filling the "SCSB/Payment Details" block in the Bid cum Application Form.

GENERAL INFORMATION

Our Company was incorporated as Devi Sea Foods Private Limited on March 26, 1992, at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company became a deemed public limited company under Section 43A(1A) of the Companies Act, 1956 with effect from June 30, 1995, and the word "private" was struck off from the name of our Company pursuant to the Company's intimation letter dated January 1, 1998. Pursuant to our Company passing a resolution under Sections 31 and 44 of the Companies Act, 1956 on January 27, 1998, our Company was registered as a public limited company and the Registrar of Companies, Andhra Pradesh, situated at Hyderabad issued a fresh certificate of incorporation dated March 19, 1998, consequent upon conversion, recording the change of our Company's name to 'Devi Sea Foods Limited'. For details in relation to the change in the name, and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 145. For details of the business of our Company, see "*Our Business*" on page 119.

Registered and Corporate Office of our Company

Devi Sea Foods Limited
No. 50-1-51/1, A.S.R. Nagar
Seethammadhara, Visakhapatnam – 530 013
Andhra Pradesh, India
Tel: +91 891 2525 337
Fax: +91 0891 2563 828
E-mail: info@deviseafoods.com
Website: www.deviseafoods.com
Corporate Identification Number: U15122AP1992PLC094924
Registration Number: 094924

Address of the RoC

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

Registrar of Companies
2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad – 500 068
Telangana, India

Board of Directors

The Board of our Company comprises the following:

S. No.	Name	Designation	DIN	Address
1.	P. Brahmanandam	Chairman and Managing Director	00860739	H. No. 32, Balaji Baymount, Rushikonda, Tarakarama Layout, Near Gitam College, Visakhapatnam – 530 043, Andhra Pradesh, India
2.	K.A. John	Whole-time Director	00805095	H. No. 10-28-4/17, Flat No. B 5, Deepanjali Manor, Opposite Waltair Club, Siripuram, Andhra University Visakhapatnam – 530 003, Andhra Pradesh, India
3.	Sambasiva Rao Gadde	Whole-time Director	01293395	H. No. 7-24-13/17, Swagruha Topaz Apartments Dutch House Layout, Chinnawaltair, Visakhapatnam – 530 017, Andhra Pradesh, India
4.	P. Rama Devi	Whole-time Director	00860982	H. No. 32, Balaji Baymount, Rushikonda, Tarakarama Layout, Near Gitam College, Visakhapatnam – 530 043, Andhra Pradesh, India
5.	N. Naveena	Whole-time Director	02012677	H. No. 38, Balaji Baymount, Rushikonda, Tarakarama Layout, Near Gitam College, Visakhapatnam – 530 043, Andhra Pradesh, India
6.	J. Mallikarjunudu	Independent Director	00361594	GB, Lakshmi Apartments, Near Doctor's Colony, Pedawaltair, Visakhapatnam – 530 017, Andhra Pradesh, India

S. No.	Name	Designation	DIN	Address
7.	Pramod Ranjan	Independent Director	00887569	1B and 2B, Ganesh Ram Apartments, No. 1, Biiny Road, Poes Garden, Chennai – 600 086, Tamil Nadu, India
8.	K. Lakshmi Narayana	Independent Director	06980158	Plot No. 108, Road No. 76, Navanirman Nagar, Jubilee Hills Hyderabad – 500 033, Telangana, India
9.	Trinath Gampa	Independent Director	08045359	Rajmanohar Apartments, Near Liberty Gardens, Malad, Malad West, Mumbai – 400 064, Maharashtra, India
10.	T.S. Ajai	Independent Director	00282537	1-1-31/151A 152, 153, Saket, E C I L Post, Hyderabad – 500 062, Telangana, India

For further details of our Directors, see "*Our Management*" on page 152.

Company Secretary and Compliance Officer

Manas Ranjan Panigrahi
No. 50-1-51/1, A.S.R. Nagar
Seethammadhara, Visakhapatnam – 530 013
Andhra Pradesh, India
Tel: +91 891 2525 337
Fax: +91 891 2563 828
Email: manas@deviseafoods.com

Chief Financial Officer

Varahalu Chetty Palukuri
No. 50-1-51/1, A.S.R. Nagar
Seethammadhara, Visakhapatnam – 530 013
Andhra Pradesh, India
Tel: +91 891 2525 337
Fax: +91 891 2563 828
Email: chetty@deviseafoods.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Lead Managers 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 may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

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

Book Running Lead Managers	
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai - 400 025 Maharashtra, India Tel: +91 22 4325 2183 Fax: +91 22 4325 3000	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai - 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: deviseafoods.ipo@icicisecurities.com

E-mail: dsfl@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Ankit Bhatia
SEBI Registration No: INM000012029

Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Shekher Asnani / Prem D'cunha
SEBI Registration No.: INM000011179

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: + 91 22 6713 2447
E-mail: dsfl.ipo@kotak.com
Investor grievance e-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Syndicate Members

[●]

Indian Legal Counsel to the Company

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off M.G. Road
Bengaluru – 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the Lead Managers

S&R Associates
64, Okhla Industrial Estate Phase III
New Delhi – 110 020
Delhi, India
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

International Legal Counsel to the Lead Managers

Clifford Chance
Clifford Chance Pte Limited
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore – 018 982
Tel: +65 6410 2200
Fax: +65 6410 2288

Statutory Auditors to the Company

J V S L & Associates
Chartered Accountants
Plot No. 443-A-22-III
Road No. 86, Jubilee Hills
Hyderabad – 500 096
Telangana, India
E-mail: jv9009@gmail.com
Fax: +91 40 2354 2933
Tel: +91 40 2354 2996/ +91 40 2355 2336
Firm Registration No.: 15002S
Peer Review No.: 0101715

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District, Nankramguda
Hyderabad – 500 032
Telangana, India

Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance e-mail: deviseafoods.ipo@karvy.com
Website: www.karvycomputershare.com
Contact Person: Murali Krishna M.
SEBI Registration No.: INR000000221

Bankers to the Offer and/or Escrow Collection Banks

[●]

Refund Bankers

[●]

Public Offer Account Bank

[●]

Banker to our Company

Union Bank of India Limited
Union Bank of India
SME Branch
12-4-32, 1st Floor, Chandu's Plaza
Green Park Road
Visakhapatnam - 530 002
Andhra Pradesh, India
Tel: 2891 2718 365/ 2891 2706 762
E-mail: ssivisakhapatnam@unionbankofindia.com
Website: www.unionbankonline.co.in/

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

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

Collecting Depository Participants

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

Experts

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

Our Company has received written consent from the Auditors namely J V S L & Associates, Chartered Accountants, to include its name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements of our Company each dated February 23, 2018 and the statement of tax benefits dated February 25, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. However the term 'expert' shall not be construed to mean 'expert' as defined under the Securities Act.

Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

Appraising Entity

The Offer, being an offer for sale, the objects of the Offer are not required to, and have not, been appraised.

Inter-se allocation of Responsibilities:

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of this Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	Axis, Kotak, I-SEC	Axis
2.	Drafting and approval of all statutory advertisement	Axis, Kotak, I-SEC	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	Axis, Kotak, I-SEC	Kotak
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements	Axis, Kotak, I-SEC	Axis
5.	Appointment of Bankers to the Offer including co-ordination for agreements	Axis, Kotak, I-SEC	I-SEC
6.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	Axis, Kotak, I-SEC	Kotak
7.	Non-institutional and retail marketing of the Offer, which will cover, *inter-alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	Axis, Kotak, I-SEC	I-SEC
8.	Domestic institutional marketing of the Offer, which will cover, *inter-alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	Axis, Kotak, I-SEC	Axis

S. No.	Activity	Responsibility	Co-ordinator
9.	International institutional marketing of the Offer, which will cover, *inter-alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Axis, Kotak, I-SEC	Kotak
10.	Coordination with Stock-Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange	Axis, Kotak, I-SEC	Kotak
11.	Managing the book and finalization of pricing in consultation with the Company	Axis, Kotak, I-SEC	Axis
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004 Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	Axis, Kotak, I-SEC	I-SEC

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid-cum-Application Form within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the Lead Managers, and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and [●] edition of the Telugu newspaper [●], each with wide circulation (Telugu being the regional language of Andhra Pradesh and Telangana where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and Selling Shareholders in consultation with the Lead Managers after the Bid/Offer Closing Date.

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

In accordance with the SEBI ICDR Regulations, QIBs 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 Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders

and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. Each of the Selling Shareholders, severally and not jointly, confirm that such Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, in relation to their respective Equity Shares offered in the offer for sale.

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

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 348.

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

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building and Price Discovery Process*" on page 381.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

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

In the opinion of the Board of Directors (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/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 proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The underwriting arrangements mentioned above shall not apply to the applications by the ASBA Bidders in the Offer, except for ASBA Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is provided below:

(In ₹, except share data)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price
A.	**AUTHORIZED SHARE CAPITAL**		
	90,000,000 Equity Shares[(1)]	180,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	60,000,000 Equity Shares	120,000,000	
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares aggregating up to ₹9,000 million[(2)]	[●]	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares[(3)]	[●]	[●]
D.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	Nil	-
	After the Offer	Nil	-
E.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	60,000,000 Equity Shares	120,000,000	

(1) For details in relation to changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 146

(2) For details of authorizations received for the Offer, see "The Offer" on page 62

(3) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount (which will be less Employee Discount) does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (which will be less Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount)

Notes to the Capital Structure

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

   (a) The history of the equity share capital of our Company is provided in the table below:

Date of allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 30, 1992	200	100	100	Cash	Initial subscription to MoA[(1)]	200	20,000
April 27, 1992	1,700	100	100	Cash	Further issue[(2)]	1,900	190,000
June 30, 1992	16,750	100	100	Cash	Further issue[(3)]	18,650	1,865,000
January 30, 1993	11,800	100	100	Cash	Further issue[(4)]	30,450	3,045,000
September 30, 1993	9,350	100	100	Cash	Further issue[(5)]	39,800	3,980,000
December 20, 1993	10,200	100	100	Cash	Further issue[(6)]	50,000	5,000,000
August 31, 1994	25,000	100	100	Cash	Further issue[(7)]	75,000	7,500,000

Date of allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
April 4, 2000	4,550	100	100	Cash	Further issue[8]	79,550	7,955,000
April 4, 2000	450	100	NA	Other than cash	Allotment in the ratio of one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹100 each of Navee Acqua Agro Estates Private Limited pursuant to the scheme of amalgamation of Navee Aqua Agro Estates Private Limited with our Company[9]	80,000	8,000,000
January 7, 2002	320,000	100	NA	NA	Bonus issue in the ratio 4:1[10] pursuant to capitalization of ₹32,000,000 standing to the credit of our Company's general reserves/profit & loss account	400,000	40,000,000
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares.							
February 22, 2018*	40,000,000	2	NA	NA	Bonus issue in the ratio 2:1[11] pursuant to capitalization of ₹80,000,000 standing to the credit of our Company's free reserves	60,000,000	120,000,000

**The Shareholders of the Company had, pursuant to a resolution dated January 30, 2018, approved the issue and allotment of three Equity Shares for every one Equity Share. The approved bonus ratio was subsequently modified to issue and allot two Equity Shares for every one Equity Share pursuant to resolutions of the Board and the Shareholders dated February 22, 2018,*

(1) 100 equity shares allotted to Yarlagadda Surya Rao and 100 equity shares allotted to Chittury Raja Gopala Chowdary

(2) 1,300 equity shares allotted to Yarlagadda Surya Rao and 400 equity shares allotted to Chittury Raja Gopala Chowdary

(3) 900 equity shares allotted to Chittury Raja Gopala Chowdary, 1,000 equity shares allotted to Seshamma, 500 equity shares allotted to Surya Prabha, 1,000 equity shares allotted to B. Sridhara Rao, 1,000 equity shares allotted to Y. Srilakshmi Neelima, 1,000 equity shares allotted to Y.V.V.S.N. Murthy, 500 equity shares allotted to G. Manikyamba, 500 equity shares allotted to M. Mohan Das, 500 equity shares allotted to P. Brahmanandam,500 equity shares allotted to P. Krishna Mohan, 500 equity shares allotted to U. Subba Rao, 1,000 equity shares allotted to Vempati Narayana, 500 equity shares allotted to Y. Ammanna Chowdary, 1,250 equity shares allotted to P. Subba Rao, 3,500 equity shares allotted to T. Bharathi, 1,500 equity shares allotted to T.K. Prasad, 1,100 equity shares allotted to Yarlagadda Surya Rao

(4) 400 equity shares allotted to Lakshmi Kantam, 3,050 equity shares allotted to Chittury Raja Gopala Chowdary, 500 equity shares allotted to Surya Prabha, 1,000 equity shares allotted to B. Sridhara Rao, 750 equity shares allotted to Y. Srilakshmi Neelima, 1,000 equity shares allotted to Y.V.V.S.N. Murthy, 1,100 equity shares allotted to P. Brahmanandam, 500 equity shares allotted to P. Chandra Mouli, 500 equity shares allotted to P. Suryavathi, 3,000 equity shares allotted to Y. Surya Rao

(5) 500 equity shares allotted to B. Sridhara Rao, 700 equity shares allotted to Y. Srilakshmi Neelima, 500 equity shares allotted to G. Manikyamba, 1,300 equity shares allotted to Vempati Narayana, 500 equity shares allotted to Y. Ammanna Chowdary, 1,450 equity shares allotted to T.K. Prasad, 1,000 equity shares allotted to Y. Mahindra, 1,000 equity shares allotted to Y. Samarendra, 500 equity shares allotted to Y. Surya Rao

(6) 50 equity shares allotted to Y. Srilakshmi Neelima, 500 equity shares allotted to Y.V.V.S.N. Murthy, 800 equity shares allotted to G. Manikyamba, 1,000 equity shares allotted to P. Brahmanandam, 1,000 equity shares allotted to P. Chandra Mouli, 800 equity shares allotted to P. Krishna Mohan, 500 equity shares allotted to U. Subba Rao, 4,800 equity shares allotted to T.K. Prasad, 750 equity shares allotted to Y. Surya Rao

(7) 4,700 equity shares allotted to Chittury Raja Gopala Chowdary, 1,250 equity shares allotted B. Sridhara Rao, 1,250 equity shares allotted to Y. Rama Lakshmi, 1,250 equity shares allotted to Y. Veerraju, 500 equity shares allotted to M. Mohan Das, 2,250 equity shares allotted to P. Brahmanandam, 500 equity shares allotted to P. Chandra Mouli, 500 equity shares allotted to

P. Krishna Mohan, 500 equity shares allotted to P. Suryavathi, 1,000 equity shares allotted to Vempati Narayana, 1,000 equity shares allotted to Y. Ammanna Chowdary, 6,250 equity shares allotted to T.K. Prasad, 800 equity shares allotted to Y. Satyavathi, 1,000 equity shares allotted to Y. Surya Rao, 2,250 equity shares allotted to Y. Varalakshmi

(8) 4,550 equity shares allotted to P. Brahmanandam

(9) 200 equity shares allotted to P. Brahmanandam, 50 equity shares allotted to P. Suryavathi, 40 equity shares allotted to P. Geeta Mohan Rao, 40 equity shares allotted to B. Marthanda Rao, 40 equity shares allotted to M. Prakasa Rao, 40 equity shares allotted to D.S.S. Prasada Rao, 40 equity shares allotted to Y.Ammanna Chowdary

(10) 4,000 equity shares allotted to D. Krishna Kumari, 4,160 equity shares allotted to D.S.S. Prasada Rao, 4,000 equity shares allotted to K.A. John, 4,000 equity shares allotted to N. Venugopala Rao, 142,440 equity shares allotted to P. Brahmanandam, 8,000 equity shares allotted to P. Chandra Mouli, 51,560 equity shares allotted to N. Naveena, 49,560 equity shares allotted to P. Rama Devi, 9,800 equity shares allotted to P. Suryavathi, 4,000 equity shares allotted jointly to P. Brahmanandam and P.V. Krishna Rao, 4,000 equity shares allotted to P. Vimalavathi, 4,000 equity shares allotted to T. Srinivvasa Reddy, 3,200 equity shares allotted to Y. Thammayya Chowdary, 5,600 equity shares allotted to U. Subba Rao, 4,000 equity shares allotted to Uppuluri Venkata Ramana, 4,000 equity shares allotted to V.B.V. Giri Prasad, 11,360 equity shares allotted to Y. Ammanna Chowdary, 160 equity shares allotted to P. Geeetha Mohan Rao, 160 equity shares allotted to B. Marthanda Rao, 2,000 equity shares allotted to G.V.S.N. Murthy

(11) 18,105,000 Equity Shares allotted to P. Brahmanandam, 9,279,000 Equity Shares allotted to N. Naveena, 9,263,000 Equity Shares allotted to P. Rama Devi, 1,813,000 Equity Shares allotted to P. Suryavathi, 300,000 Equity Shares allotted to V.B.V. Giri Prasad, 300,000 Equity Shares allotted jointly to P. Brahmanandam and P.V. Krishna Rao, 300,000 Equity Shares allotted to T. Srinivasa Reddy, 300,000 Equity Shares allotted to N. Venu Gopal Rao, 250,000 Equity Shares allotted to G.V.S.N. Murthy, 50,000 Equity Shares allotted to D.S.S. Prasada Rao, 20,000 Equity Shares allotted to P.G. Mohana Rao, 20,000 Equity Shares allotted to B. Marthanda Rao

2. **Issue of Equity Shares at Price Lower than the Offer Price in the Last Year**

Except as disclosed below, our Company has not issued any equity shares at a price which may be lower than the Offer Price during a period of one year immediately preceding the date of this Draft Red Herring Prospectus:

Date of allotment	No. of equity shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for allotment	Allottees
February 22, 2018	40,000,000	2	NA	NA	Bonus issue in the ratio 2:1	Please see footnote 11 " - *Equity Share Capital History of our Company*" on page 71

3. **Issue of Equity Shares in the Last Two Years**

For details of equity shares issued by our Company in the two years immediately preceding the date of this Draft Red Herring Prospectus, see "- *Equity Share Capital History of our Company*" on page 71.

4. **Issue of Equity Shares out of Revaluation Reserves or for Consideration other than Cash**

(a) Our Company has not issued any equity shares out of revaluation reserves.

(b) Except as set out below, we have not issued equity shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of equity shares for consideration other than cash:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason for allotment	Benefit accrued to our Company
April 4, 2000	450	100	NA	Allotment in the ratio of one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹100 each of Navee Acqua Agro Estates Private Limited pursuant to the scheme of amalgamation of Navee Aqua Agro Estates Private Limited with our Company*	Amalgamation of Navee Aqua Agro Estates Private Limited into our Company

**See "History and Certain Corporate Matters" on page 145*

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold 30,327,000 Equity Shares, equivalent to 50.54% of the issued, subscribed and paid-up Equity Share capital of our Company. The build-up of the equity shareholding of each of our Promoters since incorporation of our Company, is provided below:

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)(1)
P. Brahmanandam							
June 30, 1992	Further issue	500	Cash	100	100.00	0.00*	[●]
January 30, 1993	Further issue	1,100	Cash	100	100.00	0.00*	[●]
December 20, 1993	Further issue	1,000	Cash	100	100.00	0.00*	[●]
August 31, 1994	Further issue	2,250	Cash	100	100.00	0.00*	[●]
August 1, 1997	Transfer from Chittury Raja Gopala Chowdary	5,550	Cash	100	270.00	0.00*	[●]
August 1, 1997	Transfer from Y. Surya Rao	3,700	Cash	100	270.00	0.00*	[●]
September 6, 1997	Transfer from T. Bharathi	4,050	Cash	100	270.00	0.00*	[●]
December 29, 1999	Transfer from Veera Raghavalu	1,850	Cash	100	888.38	0.00*	[●]
April 4, 2000	Further issue	4,550	Cash	100	100.00	0.01	[●]
April 4, 2000	Allotment in the ratio of one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹100 each of Navee Acqua Agro Estates Private Limited pursuant to the scheme of amalgamation of Navee Aqua Agro Estates Private Limited with our Company	200	Other than cash	100	NA	0.00*	[●]
September 10, 2001	Transfer from K. Ranga Rao	500	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from K.V. Mohana Rao	1,000	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from M. Ganga Raju	1,000	Cash	100	270.00	0.00*	[●]

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)(1)
September 10, 2001	Transfer from M. Prakasa Rao	1,040	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from M. Ramana	1,000	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from M. Ratnaji	1,000	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from P. Rama Rao	900	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from P. Satyanarayana Prasad	600	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from P. Varalakshmi	750	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from V. Gurraju	700	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from V. Rukmini	300	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from Y. V. Ramana Babu	570	Cash	100	270.00	0.00*	[●]
September 10, 2001	Transfer from Mallikarjuna Rao	1,500	Cash	100	270.00	0.00*	[●]
January 7, 2002	Bonus issue in the ratio 4:1	142,440	NA	100	NA	0.18	[●]
October 8, 2012	Gift from P. Vimalavathi (natural heir of deceased shareholder, P. Chandra Mouli)	3,000	NA	100	NA	0.00*	[●]
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares. Accordingly, 181,050 equity shares of the Company having face value ₹100 each held by P. Brahmanandam were sub-divided into 9,052,500 Equity Shares.							
February 22, 2018	Bonus issue in the ratio 2:1	18,105,000	NA	2	NA	33.95	[●]
Total		**27,157,500**				**45.26**	**[●]**
Equity shares held jointly between P. Brahmanandam and P.V. Krishna Rao							
January 31, 1998	Transfer from K. Dhananjaya	1,000	Cash	100	100.00	0.00*	[●]
January 7, 2002	Bonus issue in the ratio 4:1	4,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift to N. Naveena	(2,000)	NA	100	NA	0.00*	[●]
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares. Accordingly, 3,000 equity shares of the Company of face value of ₹100 each held jointly by P. Brahmanandam and P.V. Krishna Rao were sub-divided into 150,000 Equity Shares.							

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)[(1)]
February 22, 2018	Bonus issue in the ratio 2:1	300,000	NA	2	NA	0.56	[●]
Total		**450,000**				**0.75**	**[●]**
P. Suryavathi							
January 30, 1993	Further issue	500	Cash	100	100.00	0.00*	[●]
August 31, 1994	Further issue	500	Cash	100	100.00	0.00*	[●]
August 1, 1997	Transfer from Y. Varalakshmi	400	Cash	100	270.00	0.00*	[●]
January 31, 1998	Transfer from T. K. Prasad	1,000	Cash	100	200.00	0.00*	[●]
April 4, 2000	Allotment in the ratio of one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹100 each of Navee Acqua Agro Estates Private Limited pursuant to the scheme of amalgamation of Navee Aqua Agro Estates Private Limited with our Company	50	Other than Cash	100	NA	0.00*	[●]
January 7, 2002	Bonus issue in the ratio 4:1	9,800	NA	100	NA	0.01	[●]
March 11, 2009	Transfer from K.A. John	1,680	Cash	100	180.00	0.00*	[●]
October 8, 2012	Gift from Y. Ammanna Chowdary	4,200	NA	100	NA	0.01	[●]
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares. Accordingly, 18,130 equity shares of face value ₹100 each held by P. Suryavathi were sub-divided into 906,500 Equity Shares.							
February 22, 2018	Bonus issue in the ratio 2:1	1,813,000	NA	100	NA	3.40	[●]
Total		**2,719,500**				**4.53**	**[●]**

(1) Assuming full subscription to the Offer
**Less than 0.01%*

- All the equity shares held by each of our Promoters (individually as well as jointly with other Shareholders) were fully paid-up on the respective dates of acquisition/allotment of such equity shares.

- Except as disclosed in this Draft Red Herring Prospectus, our Promoters have not undertaken any sale of equity shares of our Company since incorporation.

- As on the date of this Draft Red Herring Prospectus, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

- The details of the equity shareholding of our Promoters and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	Percentage of total Equity Shareholding	No. of Equity Shares	Percentage of total Equity Shareholding
Promoter					
1.	P. Brahmanandam**	27,607,500	46.01%	[●]	[●]
2.	P. Suryavathi	2,719,500	4.53%	[●]	[●]
	Total (A)	**30,327,000**	**50.54%**	[●]	[●]
Promoter Group					
1.	P. Rama Devi	13,894,500	23.16%	[●]	[●]
2.	N. Naveena	13,918,500	23.20%	[●]	[●]
	Total (B)	**27,813,000**	**46.36%**	[●]	[●]
	Total (A+B)	**58,140,000**	**96.90%**	[●]	[●]

**To be updated upon finalisation of Offer Price*
***Includes 450,000 Equity Shares held by P. Brahmanandam jointly with P.V. Krishna Rao*

6. **Details of Equity Shares held by our Directors and Key Management Personnel**

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of total Equity Shareholding	No. of Equity Shares	% of total Equity Shareholding
1.	P. Brahmanandam**	27,607,500	46.01%	[●]	[●]
2.	P. Rama Devi	13,894,500	23.16%	[●]	[●]
3.	N. Naveena	13,918,500	23.20%	[●]	[●]
	Total	**55,420,500**	**92.37%**	[●]	[●]

**To be updated upon finalisation of Offer Price*
*** Includes 450,000 Equity Shares held by P. Brahmanandam jointly with P.V. Krishna Rao*

7. **Details of Promoters' contribution and lock-in**

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

(ii) Details of the Equity Shares to be locked-in for three years as minimum Promoters' contribution are set forth in the table below:

Date of allotment of the Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in(1)	Percentage of the post- Offer paid-up capital (%)(1)	Source of funds
P. Brahmanandam								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]
P. Suryavathi								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						**[●]**	[●]	[●]

(1) Subject to finalisation of the Basis of Allotment

(iii) The Promoters have confirmed that the Promoters' contribution has been financed from their personal funds and no loans or financial assistance from any bank or financial institutions have been availed by them for this purpose.

(iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(a) The Equity Shares offered for Promoters' contribution do not include (a) equity shares acquired in the three immediately preceding years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets; or (b) bonus equity shares out of revaluation reserves or unrealised profits of our Company or bonus equity shares issued against equity shares, which are otherwise ineligible for computation of Promoters' contribution;

(b) The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the Offer Price;

(c) Our Company has not been formed by the conversion of a partnership firm into a company; and

(d) The Equity Shares forming part of the Promoters' contribution are not subject to any pledge.

8. **Other lock-in requirements**

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, other than any Equity Shares transferred pursuant to the Offer by the Selling Shareholders, will be locked-in for a period of one year from the date of Allotment.

(ii) The Equity Shares held by the Promoters, which are locked-in may be transferred to and among the members of the Promoter Group or to any new Promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(iii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions for the purpose of financing one or more objects of the Offer and such pledge of the Equity Shares is one of the terms of the sanction of such loans. Since the Offer comprises an offer for sale of Equity Shares by the Selling Shareholders, the Company will not receive any proceeds from the Offer. Accordingly, the Promoters will not be entitled to pledge any Equity Shares held by them which are locked-in for a period of three years from the date of Allotment.

(iv) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in 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 such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(v) The Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity

Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

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

9. **Build-up of Equity Shares held by Selling Shareholders in our Company**

The build-up of the equity shareholding of P. Rama Devi and N. Naveena in our Company since incorporation is provided in the table below. For details in relation to the build-up of equity shares of the Selling Shareholders who are our Promoters, see "- *History of the Equity Share Capital held by our Promoters"* on page 74.

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue Price/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)[1]
P. Rama Devi							
January 31, 1998	Transfer from T. K. Prasad	1,000	Cash	100	200	0.00*	[●]
March 30, 2001	Gift from G. Manikyamba	1,800	NA	100	NA	0.00*	[●]
March 30, 2001	Transfer from G.S. Lakshmi	900	Cash	100	270	0.00*	[●]
March 30, 2001	Transfer from I.S. Veerraju	1,000	Cash	100	270	0.00*	[●]
March 30, 2001	Gift from Goli Narayana Rao	750	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from M. Mohan Das	2,000	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from P. Krishna Mohan Rao	3,250	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from K.R.K. Koteswara Rao	900	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from M.R. Uma Maheswara Rao	790	NA	100	NA	0.00*	[●]
January 7, 2002	Bonus issue in the ratio 4:1	49,560	NA	100	NA	0.06	[●]
March 11, 2009	Transfer from K.A. John	1,680	Cash	100	180	0.00*	[●]
March 11, 2009	Gift from P. Vimalavathi	5,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift from D. Krishna Kumari	5,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift from V.B.V. Giri Prasad	2,000	NA	100	NA	0.00	[●]

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue Price/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)(1)
March 11, 2009	Gift from Y. Ammanna Chowdary	10,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift from P. Chandra Mouli	7,000	NA	100	NA	0.01	[●]
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares. Accordingly, 92,630 equity shares of face value of ₹100 each held by P. Rama Devi were sub-divided into 4,631,500 Equity Shares.							
February 22, 2018	Bonus issue in the ratio 2:1	9,263,000	NA	2	NA	17.40	[●]
Total		**13,894,500**				**23.16**	[●]
N. Naveena							
January 31, 1998	Transfer from T.K. Prasad	1,000	Cash	100	200	0.00*	[●]
January 31, 1998	Transfer from V. Sambasiva Rao	500	Cash	100	200	0.00*	[●]
March 30, 2001	Gift from P. Krishna Mohan	50	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from P. Seethamma	1,000	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from P. Someswara Rao	1,000	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from P. Srinivas	500	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from G. Subbanna Chowdary	940	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from U. Satyanarayana	1,000	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from V. Veerraju Chowdary	500	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from Vempada Lakshmana Rao	500	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from Vempati Narayana	4,100	NA	100	NA	0.01	[●]
March 30, 2001	Gift from Y. Govinda Raju	900	NA	100	NA	0.00*	[●]
March 30, 2001	Gift from Y. Narayana Rao	900	NA	100	NA	0.00*	[●]
January 7, 2002	Bonus issue in the ratio 4:1	51,560	NA	100	NA	0.06	[●]
March 11, 2009	Transfer from K.A. John	1,640	Cash	100	180	0.00*	[●]
March 11, 2009	Gift from D.S.S. Prasada Rao	4,700	NA	100	NA	0.01	[●]
March 11, 2009	Gift from U. Subba Rao	7,000	NA	100	NA	0.01	[●]

Date of allotment/ Transfer	Nature of transaction	No. of equity shares	Nature of consideration	Face value (₹)	Issue Price/ Transfer Price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)(1)
March 11, 2009	Gift from Y. Thammanna Chowdary	4,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift from U.V. Ramana	5,000	NA	100	NA	0.01	[●]
March 11, 2009	Gift from P. Brahmanandam and P.V. Krishna Rao	2,000	NA	100	NA	0.00*	[●]
March 11, 2009	Gift from N. Venu Gopala Rao	2,000	NA	100	NA	0.00*	[●]
March 11, 2009	Gift from T. Srinivasa Reddy	2,000	NA	100	NA	0.00*	[●]
Pursuant to a Board resolution dated January 23, 2018 and Shareholders' resolution dated January 30, 2018, authorized share capital of the Company of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares, pursuant to which the issued, subscribed and paid-up equity share capital of 400,000 equity shares of face value of ₹100 each was sub-divided into 20,000,000 Equity Shares.Accordingly, 92,790 equity shares of face value of ₹100 each held by N. Naveena were sub-divided into 4,639,500 Equity Shares							
February 22, 2018	Bonus issue in the ratio 2:1	9,279,000	NA	17.40	NA	17.40	[●]
Total		**13,918,500**				**23.20**	[●]

(1) Assuming full subscription to the Offer

** Less than 0.01%*

Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights									
								Class	Total	Total as a % of (A+B)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	5*	58,140,000*	-	-	58,140,000*	96.90%	-	-	-	-	-	-		-		57,690,000**
(B)	Public	7	1,860,000	-	-	1,860,000	3.10%	-	-	-	-	-	-		-		1,860,000
(C)	Non Promoter - non public	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**12**	**60,000,000**	**-**	**-**	**60,000,000**	**100.00%**	-	-	-	-	-	-		-		**595,500,000**

**Includes 450,000 Equity Shares held by P. Brahmanandam jointly with P.V. Krishna Rao*

***450,000 Equity Shares held by P. Brahmanandam jointly with P.V. Krishna Rao are yet to be dematerialised*

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

10. **Details of Equity Shareholding of the 10 largest Equity Shareholders of our Company**

The 10 largest Equity Shareholders and the number of Equity Shares held by them:

- As on the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share Capital (%)
1.	P. Brahmanandam	27,157,500	45.26
2.	N. Naveena	13,918,500	23.20
3.	P. Rama Devi	13,894,500	23.16
4.	P. Suryavathi	2,719,500	4.53
5.	V.B.V. Giri Prasad	450,000	0.75
6.	P. Brahmanandam jointly with P.V. Krishna Rao	450,000	0.75
7.	T. Srinivasa Reddy	450,000	0.75
8.	N. Venu Gopal Rao	450,000	0.75
9.	G.V.S.N Murthy	375,000	0.63
10.	D.S.S Prasada Rao	75,000	0.13
	Total	**59,940,000**	**99.91**

- 10 days prior to the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the Equity Share Capital (%)
1.	P. Brahmanandam	9,052,500	45.26
2.	N. Naveena	4,639,500	23.20
3.	P. Rama Devi	4,631,500	23.16
4.	P. Suryavathi	906,500	4.53
5.	V.B.V. Giri Prasad	150,000	0.75
6.	P. Brahmanandam jointly with P.V. Krishna Rao	150,000	0.75
7.	T. Srinivasa Reddy	150,000	0.75
8.	N. Venu Gopal Rao	150,000	0.75
9.	G.V.S.N Murthy	125,000	0.63
10.	D.S.S Prasada Rao	25,000	0.13
	Total	**19,980,000**	**99.91**

- Two years prior to the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	No. of equity shares of face value of ₹100 each	Percentage of the Equity Share Capital (%)
1.	P. Brahmanandam	181,050	45.26
2.	N. Naveena	92,790	23.20
3.	P. Rama Devi	92,630	23.16
4.	P. Suryavathi	18,130	4.53
5.	V.B.V. Giri Prasad	3,000	0.75
6.	P. Brahmanandam jointly with P.V. Krishna Rao	3,000	0.75
7.	T. Srinivasa Reddy	3,000	0.75
8.	N. Venu Gopal Rao	3,000	0.75
9.	G.V.S.N Murthy	2,500	0.63
10.	D.S.S Prasada Rao	500	0.13
	Total	**399,600**	**99.91**

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

12. As on the date of this Draft Red Herring Prospectus, the Lead Managers and their respective associates as per the definition of 'associate company' under Section 2(6) of the Companies Act, 2013 do not hold any Equity Shares .

13. Except as disclosed below, our Company has not allotted any equity shares pursuant to any scheme of arrangement approved under the Companies Act:

Date of allotment	No. of equity shares allotted	Face Value (₹)	Issue price (₹)	Nature of consideration	Nature of transaction
April 4, 2000	450	100	NA	NA	Allotment in the ratio of one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹100 each of Navee Acqua Agro Estates Private Limited pursuant to the scheme of amalgamation of Navee Aqua Agro Estates Private Limited with our Company. For further details, see foot note 9 to "- *Equity Share Capital History of our Company"* on page 71 and "*History and Certain Corporate Matters*" on page 145

14. Our Company has not issued any employee stock options as on the date of this Draft Red Herring Prospectus.

15. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

16. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who are Allotted Equity Shares.

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

18. As on the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 12.

19. Neither our Company nor the Directors have entered into or shall enter into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the Lead Managers have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

20. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot while finalising the Basis of Allotment.

21. Other than the sale of Equity Shares by the Promoters and certain members of the Promoter Group in the Offer, the Promoters and Promoter Group will not participate in the Offer.

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

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. Our Company shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

25. No person connected with the Offer, including, but not limited to, the Lead Managers, the members of the Syndicate, the Company, the Directors, the Promoters and members of the Promoter Group, shall offer any

incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid except for fees or commission for services rendered in relation to the Offer.

26. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

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

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

29. There will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.

30. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or qualified institutions placement, or otherwise.

31. In terms of Rule 19(2)(b) of the SCRR, and in accordance with Regulation 26(1) of the SEBI ICDR Regulations, the Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and Selling Shareholders may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. [●] Equity Shares aggregating to ₹[●] million, shall be available for allocation to Eligible Employees, on a proportionate basis. Our Company and the Selling Shareholders may in consultation with the Lead Managers offer a Retail Discount and an Employee Discount in accordance with the SEBI ICDR Regulations.

32. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE OFFER

The Offer comprises an offer for sale of Equity Shares by the Selling Shareholders.

The Offer

Each of the Selling Shareholders will be entitled to the proceeds of the offer for sale of their respective portion of the Equity Shares after deducting its portion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer for the Company are to achieve the benefit of listing the Equity Shares on the Stock Exchanges and for the sale of Equity Shares by the Selling Shareholders. Further, the Company expects that listing of Equity Shares will enhance its stability and brand image and provide liquidity to its existing Shareholders.

Offer Expenses

The Offer expenses are estimated to be approximately ₹[●] million. The Offer expenses comprise listing fees, underwriting fee, selling commission and brokerage, fee payable to the Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. Other than the listing fees (which shall be borne by our Company), all other expenses for the Offer shall be shared amongst the Selling Shareholders, in proportion to the Equity Shares being offered by them in the Offer. All such expenses shall be directly deducted from the Public Offer Account and to the extent any expenses attributable to the Selling Shareholders have been paid by our Company, they will be reimbursed to our Company, directly from the Public Offer Account. Provided if the Offer is withdrawn by the Company or is not completed for any reason, the Selling Shareholders shall not be liable to share any costs and expenses. The break-up for the estimated Offer expenses are as follows:

Activity	Amount (1) (₹, in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Payment to the Lead Managers and brokerage and selling commission for Members of the Syndicate, Registered Brokers, RTAs or CDPs (3) (4)	[●]	[●]	[●]
Commission and processing fee for SCSBs(2)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others • Listing fees • SEBI and Stock Exchanges processing fee • Fees payable to Legal Counsels • Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Will be completed after finalisation of the Offer Price

(2) SCSBs will be entitled to a processing fee of ₹[●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs (All of the above amounts are exclusive of applicable taxes).

(3) Members of the Syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:

- *Portion for Retail Individual Bidders: [●]% of the Amount Allotted**
- *Portion for Non-Institutional Bidders: [●]% of the Amount Allotted**

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

(4) Registered Brokers will be entitled to a commission of ₹[●] (plus applicable taxes) per every valid ASBA Form directly procured by each Registered Broker and uploaded on the electronic bidding system of the Stock Exchanges

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLMs, on the basis of 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 119, 16 and 174, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

A. Our leading market position in the fast-growing processed shrimp industry;

B. Our presence in the Indian shrimp feed industry;

C. Our "program" business model and longstanding relationships with major customers;

D. Our integrated supply chain operations comprising high volume raw shrimp procurement capabilities and quality processing facilities;

E. Economic advantages for our exports to the United States, arising from anti-dumping duty exclusion; and

F. Experienced Management Team.

For further details, see "*Our Business - Competitive Strengths*" on page 120.

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 "*Restated Financial Statements*" on page 174.

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 change in capital on consolidated basis:

Financial Year ended/Period ended	**Basic and Diluted***	
	EPS (in ₹)	**Weight**
March 31, 2015	13.39	1
March 31, 2016	13.53	2
March 31, 2017	17.59	3
Weighted Average	**15.54**	
Nine months ended December 31, 2017#	23.60	

* *Adjusted for split of equity shares and issuances of bonus shares. For details, see "Capital Structure" on page 71*

\# *Not annualised*

Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital on standalone basis:

Financial Year ended/Period ended	**Basic and Diluted***	
	EPS (in ₹)	**Weight**
March 31, 2015	10.05	1
March 31, 2016	9.07	2
March 31, 2017	13.59	3
Weighted Average	**11.49**	
Nine months ended December 31, 2017#	21.64	

* *Adjusted for split of equity shares and issuances of bonus shares. For details, see "Capital Structure" on page 71*

\# *Not annualised*

NOTES:

1) EPS calculation is in accordance with Accounting Standard 20 "Earnings per share" issued by ICAI

   (a) Basic and Diluted Earnings per share (₹) $= \dfrac{\text{Net profit available to equity Shareholders}}{\text{Weighted average number of equity shares}}$

2) The face value of each Equity Share is ₹ 2.

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 Unconsolidated Financials as at [●]	[●]	[●]	[●]	[●]

C. Industry P/E ratio

Industry P/E#	
Highest	113.67
Lowest	51.13
Industry Composite	78.15

\# *Source: P/E figures for the peers are computed based on closing market price as on February 23, 2018 of Apex Frozen Foods Limited, Avanti feeds Limited, The Waterbase Limited as ₹ 708.20, ₹ 2413.45 and ₹ 317.15 per equity share, respectively, on BSE (available at www.bseindia.com) divided by diluted EPS based on the annual reports of respective companies . Industry Composite is average of P/E figures for the peers*

D. Return on Net Worth ("RoNW")

On Consolidated basis

Financial Year ended/Period ended	RoNW (%)	Weight
March 31, 2015	26.91	1
March 31, 2016	21.30	2
March 31, 2017	21.81	3
Weighted Average	**22.49**	
Nine months ended December 31, 2017*	22.70	

On Standalone basis

Financial Year ended/Period ended	RoNW (%)	Weight
March 31, 2015	23.90	1
March 31, 2016	17.88	2
March 31, 2017	21.14	3
Weighted Average	**20.51**	
Nine months ended December 31, 2017*	25.21	

***Note**: Return on Net Worth has been computed as Net Profit available to equity shareholders divided by Net Worth for the equity shareholders*

** Not annualised*

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 Unconsolidated basis	[●]%	[●]%
To maintain pre-Offer diluted EPS		
On Consolidated basis	[●]%	[●]%
On Unconsolidated basis	[●]%	[●]%

F. Net Asset Value per Equity Share

Financial Year ended/Period ended	Consolidated (₹)	Unconsolidated (₹)
March 31, 2015	49.76	42.04
March 31, 2016	63.55	50.70
March 31, 2017	80.67	64.28
Nine months ended December 31, 2017	103.94	88.84
Offer price	[●]	[●]
After the Offer	[●]	[●]

***Note**: Net asset value per share = Net worth for equity shareholders / no of equity share outstanding as at the end of the period.*

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	EPS (Diluted) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Devi Sea Foods Limited(1)	16,251.58	2.00	[●]	17.59	21.81	80.67
Peer Group						
Apex Frozen Foods Limited(2)	7,096.82	10	69.64	10.17	25.70	39.56
Avanti Feeds Limited(3)	27,544.73	2	51.13	47.2	33.47	141.03
The Waterbase Limited(4)	3,234.23	10	113.67	2.79	9.29	32.26

(1) Based on restated consolidated financials as per IND AS of our Company for the Financial Year 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) Based on Standalone financials as per IND AS for the Financial Year 2017.

Note:
(a) 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).
(b) 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.
(c) P/E figures for the peers are computed based on closing market price as on February 23, 2018 of Apex Frozen Foods Limited, Avanti feeds Limited, The Waterbase Limited as ₹ 708.20, ₹ 2413.45 and ₹ 317.15 per equity share, respectively, on BSE (available at www.bseindia.com) divided by diluted EPS based on the annual reports of respective companies.

The peer group above has been determined on the basis of public companies whose business profile is comparable to our business.

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 BRLMs, 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.

Bidders should read the above mentioned information along with "*Risk Factors*" and "*Restated Financial Statements*" on pages 16 and 174, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To

Devi Sea Foods Limited
Flat No. 50-1-51/1,
A.S.R. Nagar, Seethammadhara,
Visakhapatnam – 530 013,
Andhra Pradesh, India

Dear Sir,

Re: Proposed initial public offering of equity shares of Rs.2each ("Equity Shares" and such offer, the "Offer") of Devi Sea Foods Limited (the "Company")

We, **J V S L & Associates**, Chartered Accountants, hereby confirm that the following are the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961, as amended and other direct tax laws presently in force in India.

A. Special Tax Benefits available to the company:

There are no special tax benefits available to the Companyunder the provisions of Income Tax Act.

B. Special Tax Benefits to the Shareholder:

There are no special tax benefits available to the shareholders under the provisions of Income Tax Act.

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.

Yours faithfully,
For J V S L & Associates
Chartered Accountants
Firm Regn. No: 015002S

J. VENKATESWARLU
Partner
Membership No.:022481
Place: Visakhapatnam
Date: February 25, 2018

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*All the information contained in this section is derived from the CRISIL Research report titled "Shrimp Processing and Feed Industry in India" published in February 2018 (the "**CRISIL Report**"). Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

OVERVIEW OF THE GLOBAL SEAFOOD INDUSTRY

Seafood products can generally be classified as capture fisheries (comprising aquatic species from natural water bodies such as the sea, lakes, ponds, etc.) and aquaculture (comprising species cultivated in aquaculture farms under controlled conditions). Within aquaculture, species can be cultivated in marine, fresh or brackish water. Both capture fisheries and aquaculture can be sold in fresh, frozen, or in value-added form (such as prepared, preserved or cured).

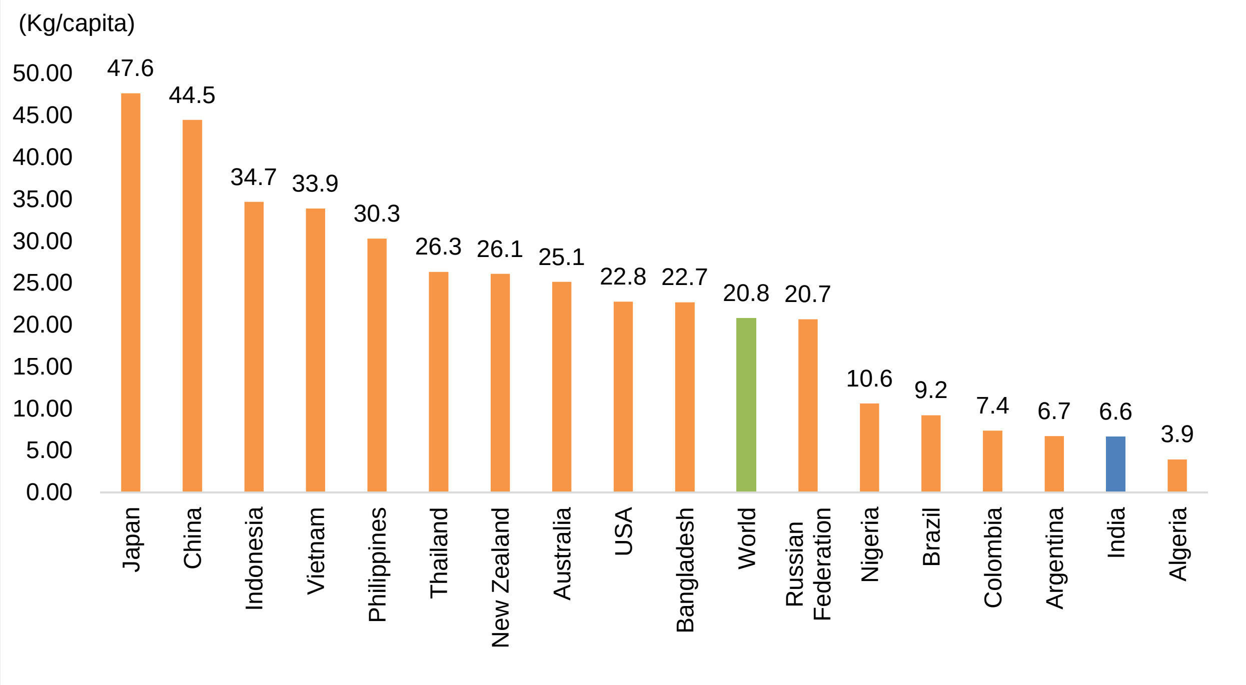
Global seafood – Consumption

According to CRISIL Research, seafood accounted for approximately 24% share of global consumption from animal protein obtained from meat and dairy in 2016. Global demand for seafood has risen because of rising population and incomes, availability of a variety of fish, and high protein content. Global seafood consumption also had a CAGR of 2.2%, growing to an estimated 176.7 million MT in 2017. During the corresponding period, the industry saw a shift from capture fishing to aquaculture, due to improved fisheries management and growth in cold chain infrastructure, which aided the industry's growth. CRISIL Research expects per capita seafood consumption to grow at 0.6%, and global seafood consumption to slow down to 1.2% CAGR over the next decade (i.e. 2017 to 2026). Growing world population, rising incomes, urbanisation, and improved distribution channels are expected to provide further cushion to global consumption growth.

CRISIL Research notes that over 2007 to 2017, per capita seafood consumption increased from 17.8 kg to 20.8 kg, and expects this to increase to 21.6 kg by 2026. (*Source: a 2017 report jointly published by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO) (the "**OECD-FAO 2017-2026 Report**"*). In terms of per capita consumption, 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 the USA was relatively high at 22.8 kg. Per capita seafood consumption for India stands at 6.64 kg in 2017.

Asia has been the major consumption centre for seafood, accounting for around two-thirds share of global seafood consumption during 2017 (*Source: OECD-FAO 2017-2026 Report*), followed by the OECD countries at 23% and Europe at 11%. China, Indonesia and India were the top three seafood consuming nations, accounting for 48% of total consumption as per provisional estimates of 2017.

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



E: Estimated
Source: OECD-FAO 2017-2026 Report, CRISIL Research

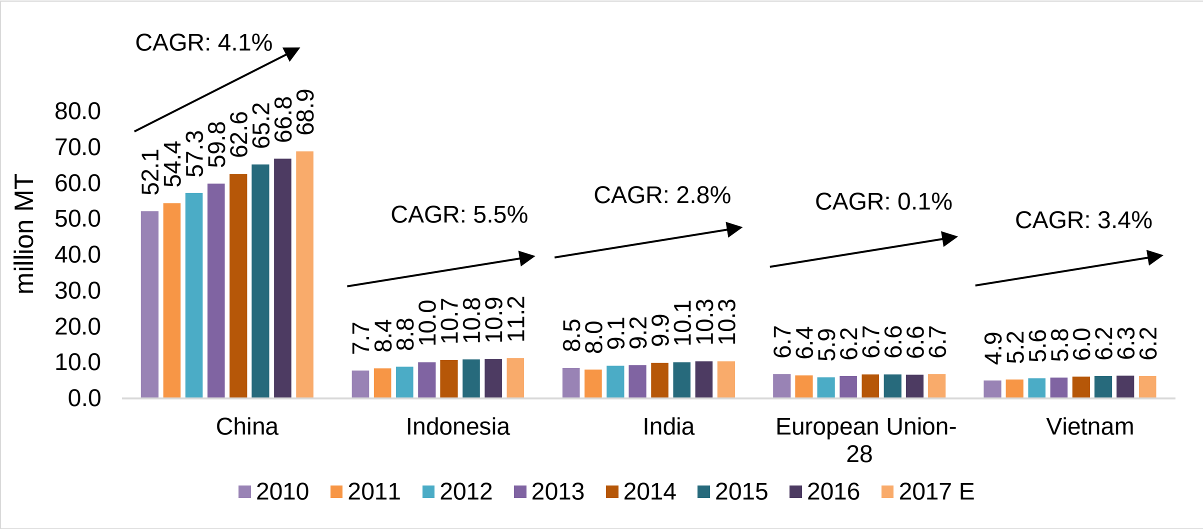
Global seafood – Production

CRISIL Research estimates global seafood production to have increased from 140.4 million MT in 2007 to 176 million MT in 2017. The rise in production was mostly attributed to Asian countries, with China being the dominant player.

Over the past ten years, overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level, has resulted in stagnation in marine production. The increasing demand for seafood has hence been met via aquaculture. During the past decade (2007-2017), while the global aquaculture production grew at 5.1% CAGR, capture fisheries rose at a relatively lower 0.4% CAGR. Consequently, during the corresponding period, the share of aquaculture in overall seafood industry increased by from 36% in 2007 to 47% in 2017, and CRISIL Research expects this to increase to 53% by 2026.

In 2017, China, India and Indonesia were estimated to be the top three aquaculture and seafood producers in the world, accounting for 52.1 million MT, 5.6 million MT and 4.5 million MT (for aquaculture production) and 68.9 million MT, 10.3 million MT and 11.2 million MT (for seafood production), respectively. Together, these three countries accounted for nearly 59% of world aquaculture production by volume. The other major aquaculture producing countries are Vietnam and Bangladesh, which together with China, Indonesia and India, account for approximately 82% of world aquaculture production by volume.

Top five countries in total aquaculture and capture production



Source: OECD-FAO 2017-2026 Report, CRISIL Research

CRISIL Research expects the Asian region to lead aquaculture production over the next decade, given that Asian markets (such as Thailand, Indonesia and Vietnam) have started recovering from the early mortality syndrome ("**EMS**") or have largely been insulated from the spread of the disease (such as India and Brazil). CRISIL Research expects that this, combined with high profitability earned on account of low feed prices, will sustain growth and production over the short term. In particular, CRISIL Research expects India's share in global aquaculture production to continue to expand, given that it has the required production capabilities, such as a large coastline, cheap labour and favourable climatic conditions.

Trends and forecasts in shrimp and prawns production patterns

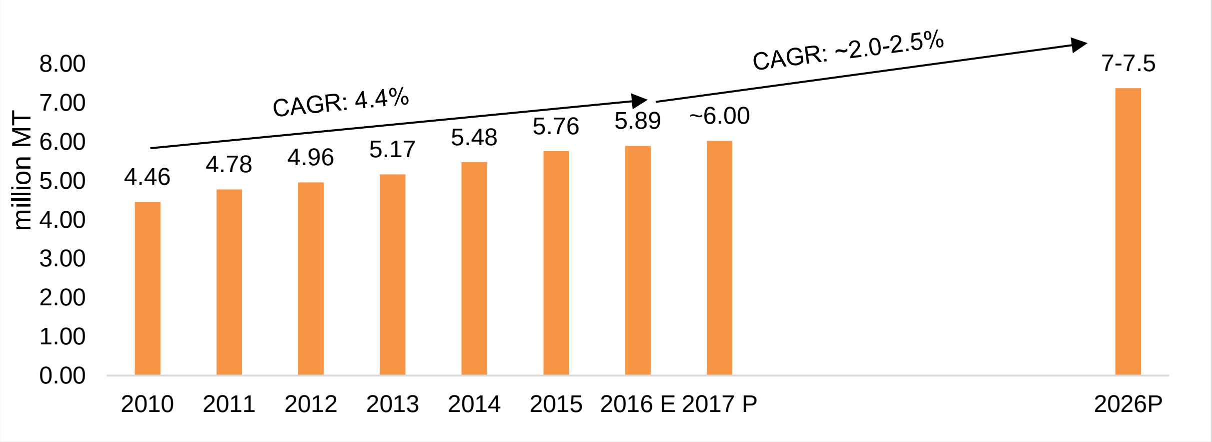
Globally

There are two sources for global shrimp production, namely capture fisheries and aquaculture. Until the 1960s and 1970s, the capture of shrimp was the key source contributing to global production, until overfishing and a high bycatch ratio led to a reduction in harvests and consequently a declining share in shrimp production. On the other hand, large-scale commercial shrimp farming started gaining prominence, especially in Asia.

In the last decade, aquaculture production has overtaken capture shrimp production. In 2017, shrimp and prawn production was the highest-ever production recorded. The share of aquaculture shrimp production stood at 72% of the global shrimp production in 2017 with a CAGR of 5.5% between 2010 and 2017. This has mainly been due to the 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.

CRISIL Research expects shrimp production, in particular, to grow over the next decade. In 2017, CRISIL Research estimated shrimp production was at its highest ever recorded levels of approximately 6.0 million MT. CRISIL Research notes that growth in global shrimp production during 2010-2017 (estimated) stood at a CAGR of 4.4%. Based on the OECD-FAO 2017-2026 Report, shrimp production is expected to increase to 7.0-7.5 million MT by 2026, i.e. a CAGR of 2.0-2.5%.

Global shrimp production



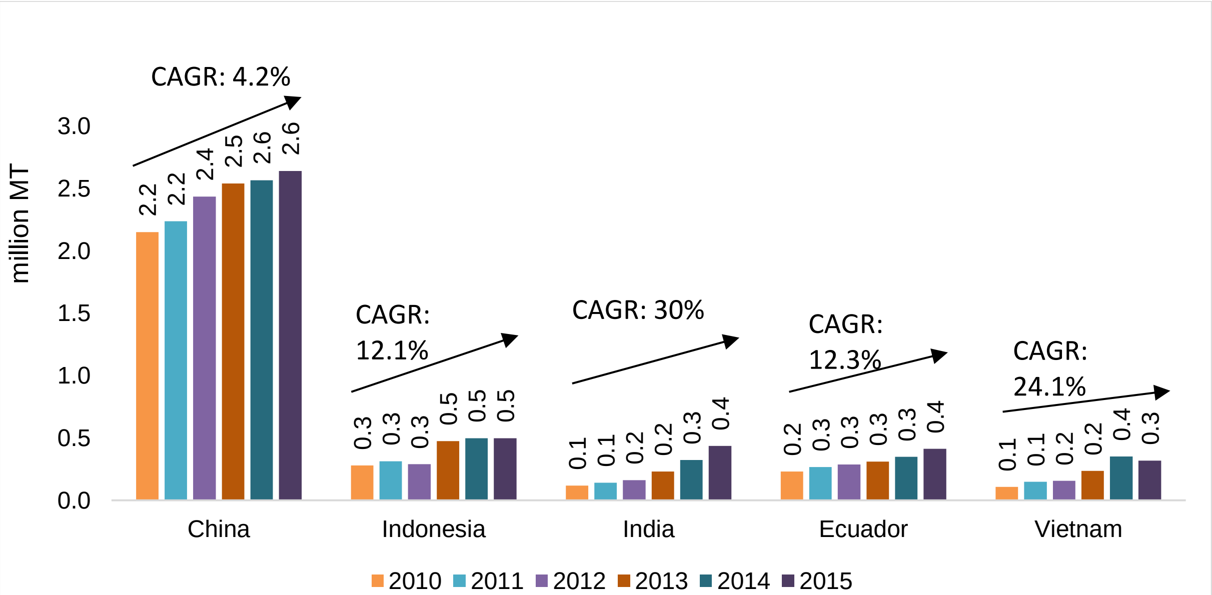
Source: FAO, OECD-FAO Agricultural Outlook 2017-2026, CRISIL Research

Across major regions

After being the one of the most-traded seafood products for decades, shrimp now ranks the second in terms of value. Shrimp and prawns are mainly produced in developing countries, and much of this production enters international trade. In certain countries like China, higher domestic consumption limits exports.

China, Indonesia, India, Ecuador and Vietnam are among the five leading nations for shrimp production as of 2015 (*Source: FAO*). While China's shrimp production grew at a CAGR of 4.2% during 2010-2015, CRISIL Research expects China to continue its growth trajectory due to strong domestic demand. Indonesia's production has stagnated during 2013 to 2015, mainly due to the outbreak of disease and unsuitable weather conditions. Ecuador's zero tariff towards exports to the EU, as part of the EU-Ecuador trade agreement, pushed up shrimp demand, leading production to grow at a CAGR of 12% during 2010-2015.

Top five countries in total shrimp production



Source: FAO, CRISIL Research

However, India has emerged as the fastest growing country in this set, with a growth in production at a CAGR of 30% during 2010-2015. India's strengths lie in the vast coastline, suitable climatic conditions for shrimp production and abundant labour availability.

TRENDS IN EXPORT AND IMPORTS OF SHRIMP AND PRAWN, INCLUDING VALUE-ADDED PRODUCTS

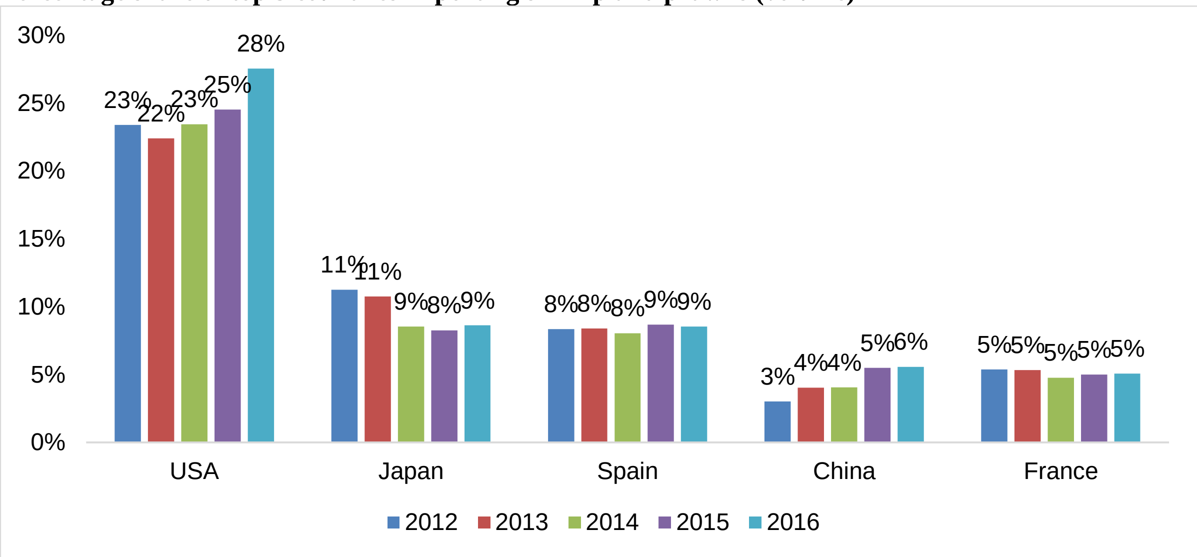
Shrimp and prawns

Imports

CRISIL Research notes that countries such as the US, Japan and the EU are highly dependent on imports of fishery products, as they are not self-sufficient in meeting their domestic requirements. The US has now overtaken Japan as the largest importer, due to rising demand in the US for aquaculture products such as shrimp and tuna, as well as declining demand coupled with a relatively weaker yen (the yen depreciated 6.7% to 121 versus the dollar in 2015) contributing to a rise in cost of imports in Japan.

The US, Japan, Spain, China and France are the key importing countries of shrimp and prawn products, together accounting for around 55% of total shrimp and prawn imports. Apart from its own production, countries such as China and Thailand source and import seafood from countries such as India, and re-export value-added products to markets in the US and Europe. Further, consumption of certain species of shrimp and prawn, 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.

Percentage share of top 5 countries importing shrimp and prawns (volume)

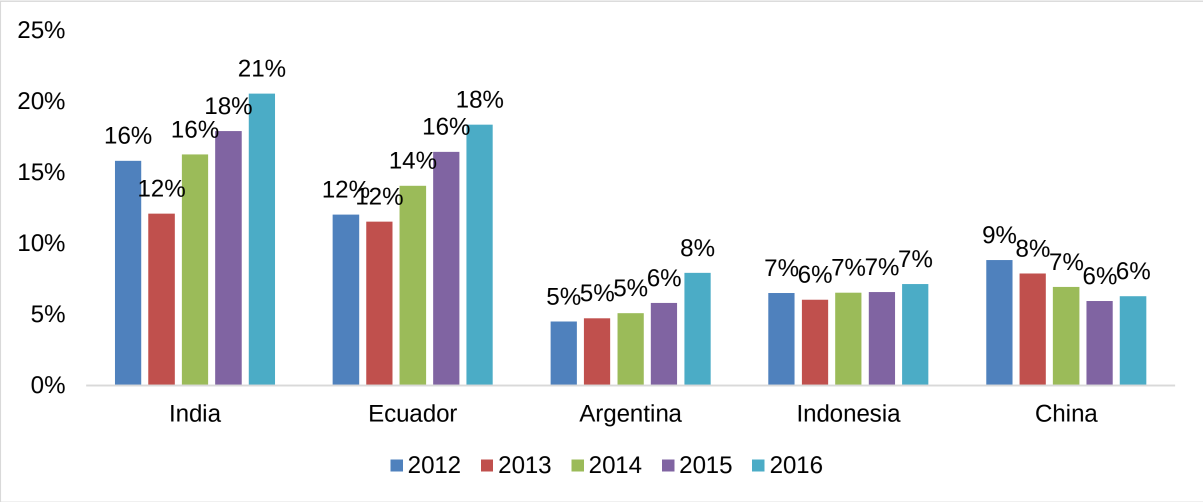


Source: UN ComTrade, CRISIL Research

Exports

The rising demand for shrimp and prawns is met by top exporting countries such as India, Ecuador, Argentina, Indonesia and China, accounting for 60% (in terms of volume, as of 2016) of total shrimp and prawn exports. India's share in the total shrimp and prawn exports to the world increased from 16% to 21% between 2010 and 2016. For 2016, India was the top exporter of shrimp and prawns globally. India has benefited from the tropical weather, availability of long coastline and brackish water, improved farming techniques, the entrepreneurial nature of farmers, backward and forward integration supporting shrimp aquaculture and government backing for setting up aquaculture farms, factors which have helped India increase its production and gain significant share in the exports market. Global events like the Gulf Oil spill, the incidence of diseases in aquaculture farms in SEA markets impacting yield coupled with a depreciation of the Indian rupee versus the dollar have also contributed to India's rise as a major shrimp exporting region.

Percentage share of top 5 countries exporting shrimps and prawns (volume)



Source: UN Comtrade, CRISIL Research

Value-added products

CRISIL Research notes that China, Thailand and Indonesia were the top three exporters of prepared shrimp and prawns in 2016. They accounted for 23.8%, 21.9% and 12.3% of world exports, respectively. On the other hand, the US, Japan and the UK were the top three countries, with 26.4%, 13% and 8.4% of world's prepared shrimp and prawn imports in 2016. Factors such as changing food habits, variety in product offerings and preference for protein rich seafood products are the driving growth factors.

Currently, India is a relatively small player in the seafood value-added product ("**VAP**") export market and accounts for around 3% of the global trade of seafood VAP. However, due to its high potential, CRISIL Research notes that Indian companies have started focusing on this segment as well. India's seafood VAP exports grew at 39% CAGR to 26,821 MT in 2016 from 7,127 MT in 2012. However, it is noteworthy that India has reported a 42.6% CAGR (for 2016 compared to 2012) in prepared shrimp and prawn exports by volume (23,383 MT in 2016) to the world during 2016, which was highest among the top 20 exporting countries of the world, making it one of the fastest growing exporters of prepared shrimp and prawns.According to CRISIL Research, Indian shrimp imports to the USA have been steadily moving up the value chain over the past few years. Indian shrimp imports to the USA currently stand at 0.21 million MT (in terms of volume) and US$ 2.17 billion (in terms of value) as of 2017. In terms of volume, the share of shell-on products has declined from 53% as of 2012 to 32% in 2017. Peeled products have seen a corresponding increase from 43% during 2012 to 60% during 2017. VAPs, such as breaded and cooked shrimp, have also seen growth, resulting in their share increasing from 4% in 2012 to 8% in 2017. Among the three broad categories (shell-on, peeled and value-added products), VAPs have seen the fastest growth rate in volume as well as value terms (45% CAGR in volume and 52% CAGR in value during 2012-2017) as compared to shell-on (14% CAGR in volume and 19% CAGR in value) and peeled (35% CAGR in volume and 37% CAGR in value) during the corresponding period. CRISIL Research notes that these trends highlight the possibility of significant potential for VAPs in the medium- to long-term, as India cements its position as a formidable player in global shrimp exports.

CRISIL Research notes that currently China is the largest exporter of VAP products, with a market share of 36% in 2016. The country has a large number of processing units, which source products locally and import from countries such as India, who then engage in value-addition and re-exporting. Thailand's exports have been affected by the spread of EMS disease on its aquaculture farms, with its market share declining to 9% in 2016 from 17% in 2012, due to an inability to fulfil export orders.

Global frozen food industry

The global frozen food industry can be broadly segmented by product type (namely, frozen ready-to-eat meals, frozen meat and poultry, frozen fish and seafood and frozen fruits and vegetables) and well as by consumer type (retail such as individuals and households, and institutional such as hotel, restaurants, caterers, supermarkets and hypermarkets).

In the case of seafood, frozen products are typically classified into two categories, namely products for direct consumption and products for further processing. Products for direct consumption typically require an extensive network of refrigerated storage and transport or cold chain facilities. Products for further processing will need to be frozen in bulk and either thawed after storing or further processed after storage. The type of frozen seafood product and the form in which it is produced in a particular country generally depends on the availability of cold chain facilities as well as consumer demand. Developed countries have typically dominated the demand for frozen foods, compared to developing countries, due to the significant capital investment required for the requisite technology along with facilities for transportation, storage, and marketing of frozen products. Developing countries tend to focus on the initial bulk freezing process, which enables the industry to cater for seasonal variations and allow a wider distribution of seafood catch/production. Other frozen products tend to develop later as the industry develops and cold chain facilities are extended.

In terms of seafood, CRISIL Research notes that shrimp, prawns and tuna have shown the highest price realisation.

Government regulations in key consuming countries

CRISIL Research notes that India is one of the top five exporting countries of seafood and aquaculture products (accounting for 5% share in global exports) in the world, and are increasingly required to export in accordance with international quality standards and control procedures.

The US levies an anti-dumping duty[1] on seafood imported from countries such as China, Vietnam, Thailand and India, in order to protect its domestic market against seafood sold at "throw away" prices, which may create a financial threat to its domestic players. Pursuant to the WTO framework, a country may impose anti-dumping duties on merchandise that is determined to be imported into that country at less than fair value. The United States International Trade Commission (the "**USITC**") requires that a review of an anti-dumping or countervailing duty order be conducted within five years after its publication to determine its continuation or revision of rates. Unless it is determined that material injury to the domestic industry is likely to recur, such duty order will be revoked.

The US Department of Commerce (the "**USDOC**") conducts 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. The anti-dumping duty rates on some families of Indian shrimp was as high as 26% in 2003, which was later 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 rates levied on shrimp imports, including duty rates for other exporting countries such as Vietnam (approximately 26% in 2009, reduced to 3.6% in 2016) and Thailand (4.5% in 2009, reduced to 1.4% in 2016).

The current duty rate for 231 Indian companies is 0.84%; however, other manufacturers and exporters which are not included in the list of 231 Indian companies are required to pay a duty rate of 10.17%. Among the Indian companies, Devi Sea Foods Limited has been exempted from paying duty since 1st February 2009 (75 FR published July 19th, 2010), and Falcon Marine Exports Limited has been exempted from paying any duty for the review period of February 2015 to January 2016.

CRISIL Research notes that the rates levied on India by the US differ from that of Vietnam, Thailand and other exporting countries. During 2009, the duty rate levied on Vietnamese shrimps was ~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

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1 Note: The US follows a retrospective system of assessment of anti-dumping 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 an administrative review ("**AR**") is initiated. An AR spans over 12 to 18 months depending on extensions to timelines. The rate of anti-dumping duty that the USDOC determines at the end of an AR serves as the assessment rate for the period of under review as well as the new deposit rate. In an AR, if there is a large number of companies to review, the USDOC will select two to four of the largest exporters to individually review them and assign individual rates to them; all others will be assigned a weighted average of the reviewed companies.

4.5% in 2009, which stood at 1.4% in 2016.

The EU specifies that laboratory checks have to be carried out for shrimp, and the US is similarly stringent about the residue limits of drugs and medication used during shrimp cultivation. Japan has implemented an import quota on several seafood products to protect their domestic seafood industry and domestic players from international competition, resulting in a limited quantity of exports to Japan in a year.

KEY GROWTH DRIVERS AND CHALLENGES FOR THE INDUSTRY

CRISIL Research notes that 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, rising disposable income, population growth, product diversification and technological advancement in seafood processing and production techniques, better marketing and branding of seafood products, and increased market penetration with government support (such as free trade agreements between major exporting and importing countries).

On the other hand, some of the key challenges faced by the industry are quality control, which may lead to disinfectant residue on seafood species, diseases such as white spot disease having an adverse impact on production, inadequate storage facilities which may lead to decay and wastage and exchange rate-related risks.

Overview of the Indian shrimp processing industry

Contribution of seafood industry to India's agricultural GDP

India is endowed with a long coastline of about 8,118 km and an abundance of inland water resources (rivers, lakes and canals), making fisheries an important occupation employing a large proportion of the population.

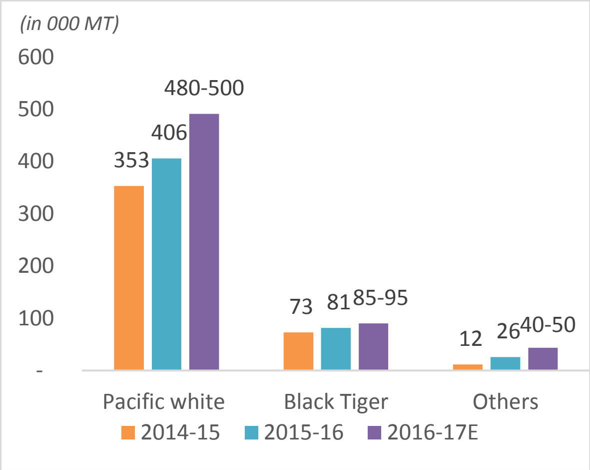
CRISIL Research notes that the size of the overall fisheries industry in India stood at about Rs1,248 billion in fiscal 2017, with the domestic market accounting for a 70% share, and exports contributing to the rest. Steady demand from the domestic market and rising exports resulted in the overall industry growing by 13% CAGR (in value terms) between fiscals 2012 and 2017. The contribution of the fisheries industry to India's overall agricultural GDP has been relatively steady, ranging from 4.4% to 5.2% over the past six years up to fiscal 2017.

CRISIL Research notes that shrimp are the "undisputed favourites" of the aquaculture market in India. Of the total aquaculture production in India, approximately 80% is exported, whereas the remainder is sold in the domestic market. CRISIL Research notes that currently, shrimp aquaculture production mainly comprises of pacific white leg shrimp, tiger shrimp and scampi. Shrimp cultivated in fresh or brackish water contribute to over 90% of India's total shrimp exports.

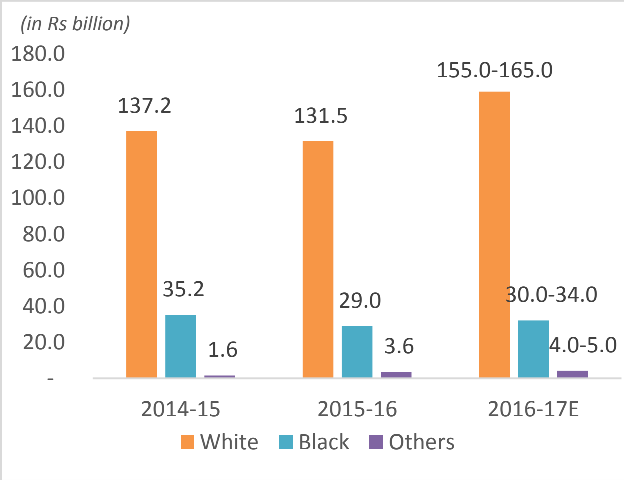
Aquaculture production stood at 500,581 MT during fiscal 2016, up 15.2% from 434,558 MT during fiscal 2015 (in terms of volume). During fiscal 2016, pacific white leg shrimp, with 406,018 MT of production, accounted for approximately 80% of the overall aquaculture production. CRISIL Research estimates pacific white leg shrimp production at 480,000-500,000 MT in fiscal 2017, with an estimated value of Rs 155-165 billion.

On the other hand, black tiger shrimp production is estimated at Rs 30-34 billion with volume sales of 85,000-95,000 MT in fiscal 2017. Other smaller segments like scampi and exportable finfish and shellfish species, viz. crab, tilapia (GIFT) and sea bass are estimated to have combined production of 40,000-50,000 MT during the year.

Aquaculture segment-wise production for exports over the past three years in volume terms



Aquaculture segment-wise production for exports over the past three years in value terms



Source: MPEDA, Industry, CRISIL Research

The shrimp industry in India

Evolution of the shrimp processing industry in India

- 1950s: Shrimp farming in India initially originated in the states of West Bengal and Kerala, which used natural seawater and no external feeding. With the advent of deep sea fishing technology, huge investments were made in the industry and shrimp harvested from fishing operations would primarily be exported to Japan and Europe raw. However deep sea fishing activity turned unviable due to rising fuel costs and depleting oceanic catches.

- 1990s: Shrimp farming in Asia grew rapidly due to the availability of technology for captive breeding of shrimp and grow-out farming. During this period, India witnessed a boost in its share of production growth, particularly in Andhra Pradesh, through the acquisition of technology from China, Thailand and Indonesia, which had already been producing black tiger shrimp. However, black tiger shrimp production was cut short by declining black tiger harvests, mainly due to the spread of diseases and relatively lower farm yields.

- 2009: The government allowed industry players to import the pacific white leg (L. vannamei) shrimp for rearing in their shrimp farms. The new species was disease resistant and offered farmers higher yields (average yield for pacific white leg shrimp being 6-8 MT as compared with 1-2 MT for black tiger shrimp), and proved to be extremely successful in India due to suitable climatic and infrastructural conditions. CRISIL Research notes that, bolstered 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: CRISIL Research notes that the rise in pacific white leg shrimp farming in India was accompanied by a significant shortage of shrimp in the US market due to events like the Gulf oil spill, a Thai crop failure in 2013 and a persistent decline in Chinese production, all factors which boosted demand for white shrimp from India in the US and SEA markets.

CRISIL Research notes that India is the second largest shrimp producer in the world currently, with an annual production of around 0.6 million MT, is the second largest shrimp producer in the world. According to CRISIL Research, India also became the largest exporter to US in 2013 and was the leading exporter in the world in 2016.

India better-placed to continue shrimp production and shrimp farming dominance

Other Asian countries (such as 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. However India is better placed among these countries to continue its dominance on account of the following factors:

- favourable geographic and climatic conditions, with an abundant long coastline and availability of brackish water;
- the lower cost of shrimp production due to availability of farm labour at a lower cost compared to its competitors;
- the focus on quality and investment in production facilities by Indian players to match global quality standards;
- the introduction of pacific white leg shrimp in 2009 which changed the dynamics of Indian aquaculture;
- low farm densities in India compared with its other Asian counterparts, aiding in the prevention of large-scale spread of diseases;
- strong institutional support from the Indian government to the aquaculture industry (such as subsidies and incentives); the disease outbreak in SEA countries which shifted demand from aquaculture farms to import seafood from India in order to fulfil their export obligations;
- the availability of processing and cold storage facilities in India;
- the availability of upstream industry facilities for shrimp feed and shrimp seed, the quality of which influences the success of aquaculture farms; and
- the availability of preventive measures to avoid widespread incidence of diseases.

Overview of the industry value chain

CRISIL Research notes that the major input in shrimp farming is broodstock. Pacific white leg shrimp broodstock is either sea-caught and pawned, or purchased from tank-reared broodstock from the USA, with a majority of broodstock used in India being imported from Hawaii or Florida. Broodstock is imported to quarantines set up by the Coastal Aquaculture Authority in India, then transferred to licensed hatcheries. These are kept for approximately 20 days before reaching larvae stage and being sold to shrimp farmers. Baby shrimp are fed for approximately 20 days before being transferred to open ponds, where they are reared for 120 to 180 days before developing into fully grown shrimp. CRISIL Research notes that Indian exporters have, in the past few years, placed emphasis on lower density shrimp farms and the use of resilient, specific pathogen-free ("**SPF**") broodstock to control diseases and maintain quality across the value chain.

CRISIL Research notes that shrimp farming is practiced by small land marginal farmers, and is generally fragmented due to its labour intensive nature, with 1684 farms currently being approved by the CAA for the culture of pacific white leg shrimp (*Source: CAA database*). CRISIL Research notes that a player in the Indian processing industry would need to possess the ability to gather shrimp from fragmented sources and operate in rural areas, with trust and confidence being built with individual farmers coupled with a strong procurement network.

CRISIL Research notes that Indian exports of fresh shrimp are fairly limited, with most shrimp being processed in some form. Post-harvest, CRISIL Research notes that fully grown shrimp are transferred to processing plants for primary processing, which involves the slicing of shrimp heads and heavy duty washing. Thereafter, these are subject to a sorting process based on commercially accepted sizes and weights (such as 16-20 and 21-25 pounds, etc.) before having their skins peeled off and being soaked in phosphate chemicals. CRISIL Research notes that the phosphate soaking process helps to maintain the quality and taste of the shrimp, and this process is a pre-requisite for almost all export markets (save for Japan). The raw shrimp is then frozen before packaging. Based on the final desired product, shrimp can go through a number of processes, including freezing, freeze-drying, chilling, canning, etc. Different levels of processing include basic processing such as easy-peel type shrimp where the shell is left on, or where the shell has been removed (head-less, tail-on, tail-off, deveined, etc.). Further value addition can be carried out by partially or completely cooking the shrimp. According to CRISIL Research, Indian exporters are increasingly focused on VAP products, where higher value-add typically leads to higher price realisations. Examples of value-added shrimp products categorised by the MPEDA include: breaded and battered shrimp, skewered shrimp, cooked and peeled shrimp and sushi. CRISIL Research notes that larger Indian exporters are expanding their infrastructure to cater to increasing demand for such VAP products.

CRISIL Research notes that as of February 2018, India has 536 processing facilities with a combined installed capacity of approximately 26,000 MT per day (*Source: MPEDA statistics*). Shrimp processing facilities are largely concentrated in South India and in particular Andhra Pradesh. Every shrimp processing plant in India is Hazard Analysis and Critical Control Points ("**HACCP**") compliant, and all business involved in the shrimp supply chain from producers to retailers are similarly required to be HACCP-compliant. Additionally, India has one of the highest number of EU-approved processing plants, with more than two-thirds of plants being approved. Further, CRISIL Research notes that as of February 2018, India has 575 cold storage capacities with a combined capacity of approximately 287,000 MT.

Majority of the shrimp processed in India is exported to major markets such as the USA, Vietnam, Europe and Japan, with the USA accounting for the largest share of Indian exports on account of the growing preference for shrimp. Due to its export-oriented nature, CRISIL Research notes that industry players need to possess a strong distribution network in these target markets, with some large exporters having developed program business capability and providing inventory management services, which helps to attract high-value customers and build long-term relationships.

Key characteristics of the shrimp industry in India

Generally, the shrimp industry in India is characterized by the move towards white shrimp production, following the approval by the Indian government in 2009 for large scale white shrimp production, for the following reasons:

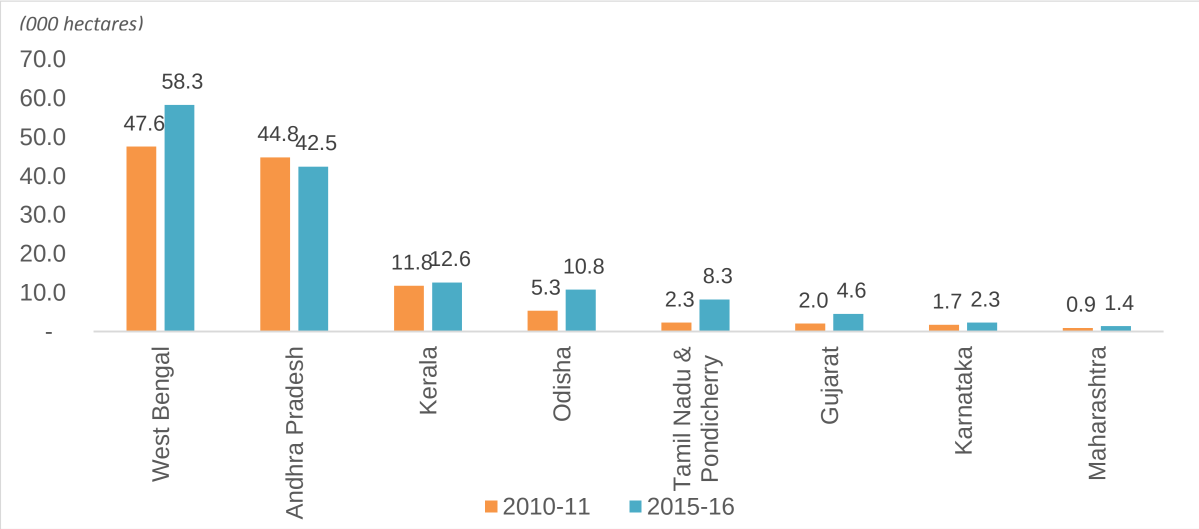
- High yield: This variety has a high yield rate of 60-65% (yield being defined as the rate at which a fertilized ova hatches into a shrimp).
- High export realisations: due to high international demand for the white shrimp species cultivated in India (which have higher yields and lower susceptibility to diseases).
- Capital intensive in nature: the farming of white leg shrimp requires high amounts of capital investment for land acquisition, constructions of ponds with inlets and outlet pipes for water purification, as well as maintenance of farms. However, characteristically higher yield and demand for the specie ensures robust returns to the farmers.
- High resistance to diseases and adaptability to extreme conditions (temperature and salinity). Farmers usually stock in them in large numbers to maximise volumes.

Overview of production by geographic region

Eight out of India's 36 states and union territories account for almost 98% of national shrimp production: Andhra Pradesh, Tamil Nadu, Kerala, Karnataka, Maharashtra, Gujarat, Odisha and West Bengal. Of these eight states, Andhra Pradesh is the leading farmed shrimp producer, accounting for more than two-thirds of Indian farmed shrimp production in 2016-17. On the other hand, the fisheries in Maharashtra and Gujarat account for 63% of wild-capture shrimp production.

The state of West Bengal has the largest area under cultivation ("**AUC**"), followed by Andhra Pradesh and Kerala. Nevertheless, CRISIL Research notes that export production in West Bengal is generally low (having a CAGR of 12.2% from 2010-2011 to 2015-2016) given that farmers depend on traditional aquaculture farming in reliance of natural brackish water areas. This is as compared with 35.4% CAGR over the same period for Andhra Pradesh, due to the construction of proper aquaculture farms and a relatively longer coastline providing access to 1.24 million ha of brackish water.

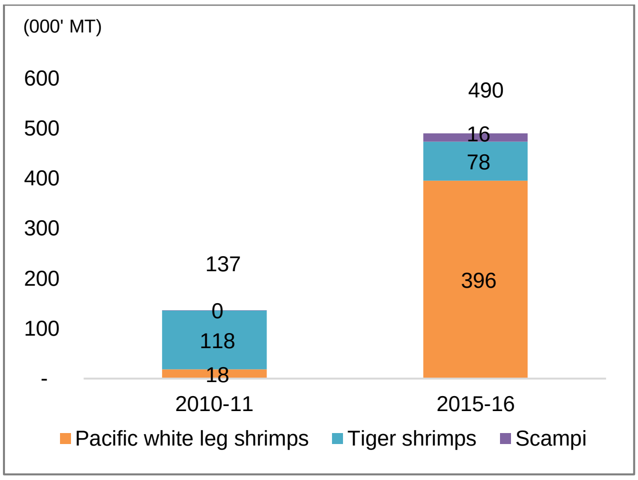
State-wise area under aquaculture cultivation



Source: MPEDA, CRISIL Research

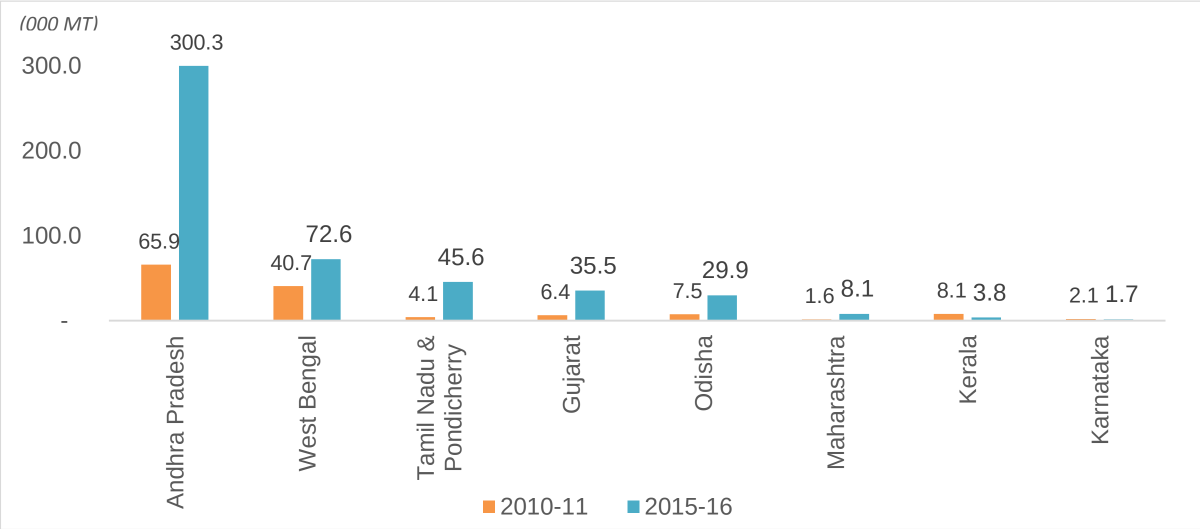
Of total seafood exports from India, shrimp accounted for a share of 66% (in value terms) and 40% (in volume terms) in fiscal 2016. Pacific white leg shrimp *(L. vannamei)*, tiger shrimp and scampi are three types of species cultivated in Indian aquaculture farms. Better yield, less susceptibility to disease, good taste and higher realisations have resulted in a rise in demand as well as production of white leg shrimp. Expensive cultivation, high susceptibility to disease and lower yields have resulted in the declining production of tiger shrimp.

Product-wise export production of shrimps in India



Source: MPEDA, CRISIL Research

State-wise shrimp export production in volume terms



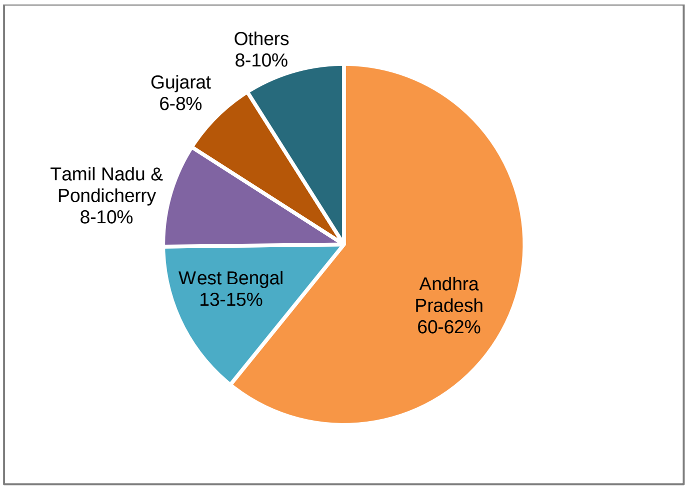
Source: MPEDA, CRISIL Research

Andhra Pradesh is the largest producer of shrimp

As of 2015-2016, CRISIL Research notes that Andhra Pradesh is the largest export producer of shrimp. Since the approval by the Indian government for large scale production of white leg shrimp in 2009, the production of white leg shrimp in Andhra Pradesh has also been growing at an exponential rate, while tiger shrimp production has been declining.

For Fiscal 2017, Devi Seafoods was the second largest exporter of shrimps from India in value terms and the company has also received award from MPEDA for two consecutive years (fiscal 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India.

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



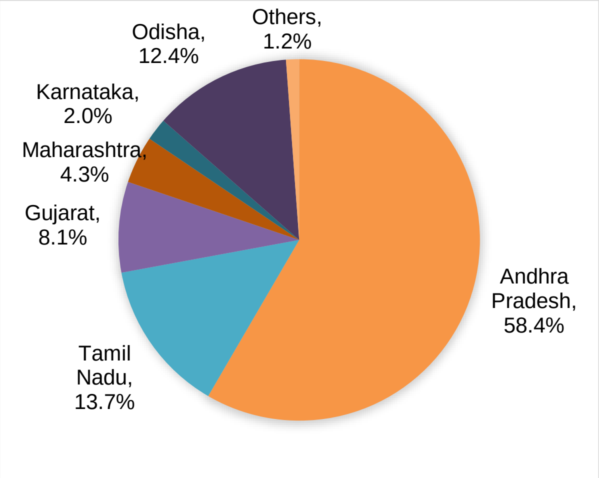
According to CRISIL Research, Andhra Pradesh holds potential for shrimp culture and has a competitive advantage over other states as a result of the following factors:

- favourable government regulations and initiatives (such as subsidies), which support the growth and development of the aquaculture industry in Andhra Pradesh;
- abundant brackish water, which is a requirement for the setting up of aquaculture farms, due to its long coastline;

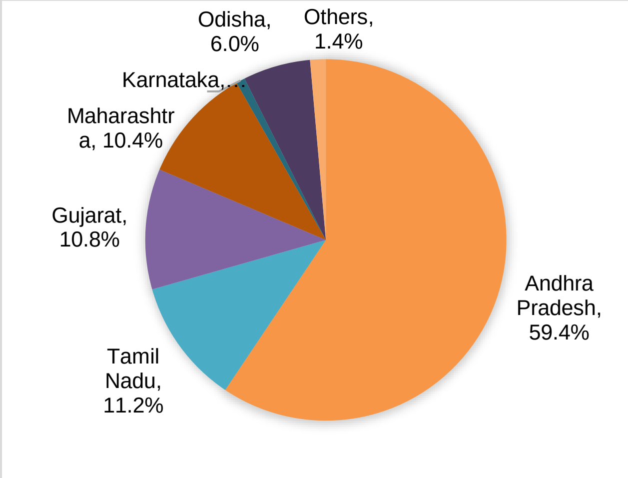
- its pioneering position in white leg shrimp production in India, contributing to production efficiency;
- adoption of better farm practices to keep pace with the requirements of a fast evolving industry; and
- being the leading state in terms of farming and processing capacity, accounting for approximately three-fifths of total registered farms for white leg shrimp in the country. CRISIL Research notes the state also leads in terms of processing and cold storage & freezing capacities in the country.

In terms of the number of SPF pacific white leg shrimp farms, CRISIL Research notes that Andhra Pradesh attained first place in the country over a relatively short period, growing from 87 farms spanning 1,236.3 ha during 2009-10 to 699 farms spanning 6,159.6 ha during 2015-16. According to CRISIL Research, Andhra Pradesh now accounts for almost three-fifths of the total water spread area under SPF pacific white leg shrimp 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 (being less than a third of the available area) is under use. Thus, there exists significant untapped potential of approximately 107,500 ha.

Andhra Pradesh accounts for highest share in terms of no. of farms



Andhra Pradesh accounts for highest share in terms of water spread area (WSA) (ha)



Source: CAA, CRISIL Research

Trend in exports

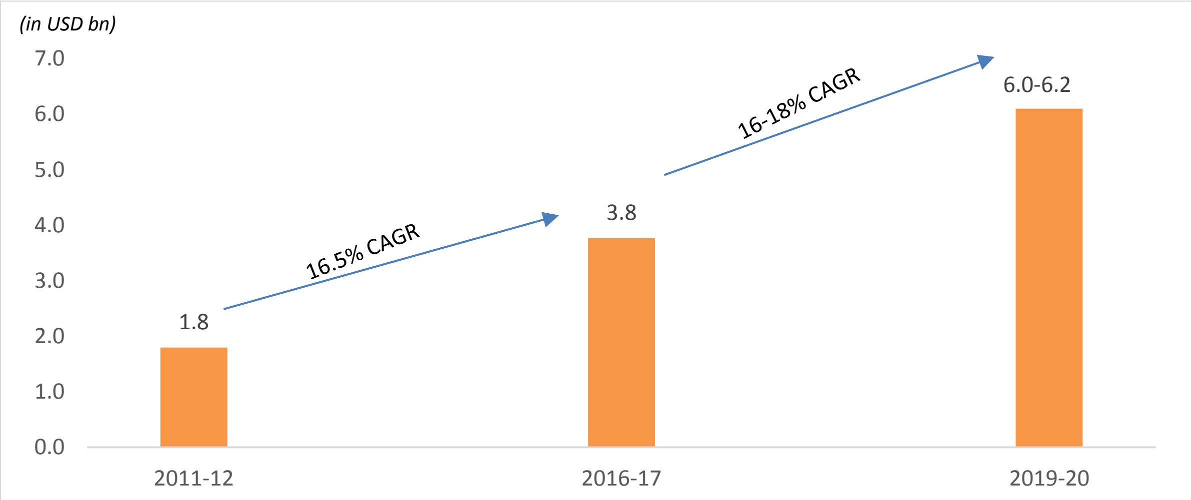
Over the next three years (fiscal 2018 to 2020), CRISIL Research expects shrimp and prawn exports to record 16-18% CAGR in value terms, primarily driven by volumes, which CRISIL Research expects to register 15-16% CAGR. CRISIL Research expects the growth in realisations, owing to rising share of value added products in the product mix, to be limited by improvement in shrimp supply in the global seafood market from south-east Asian countries, following the recovery from EMS in the region.

CRISIL Research expects the size of the shrimp and prawn export market to reach US$6.2 billion by fiscal 2020. The size of the shrimp and prawns export market stood at $3.8 billion in fiscal 2017 (in value terms), accounting for approximately 65% of the overall seafood exports from India, and stood at 4,34,484 MT (in volume terms) in fiscal 2017, accounting for approximately 38% of the overall seafood export volumes during the year. According to CRISIL Research, these figures indicate the comparatively higher realisations earned by shrimp and prawns vis-à-vis other major Indian seafood export products. In fiscal 2017, CRISIL Research notes that the Indian shrimp industry witnessed a strong growth in terms of both volumes as well as realisations.

Overall shrimp exports clocked approximately 16% CAGR between fiscals 2012 and 2017. During the corresponding period, where volumes grew by approximately 10% while realisations grew by approximately 6%. CRISIL Resarch notes that one of the major factors aiding India's growth was the spread of the EMS disease in SEA aquaculture farms, with major shrimp exporters such as Vietnam and Thailand being impacted by the spread of the disease, which benefited 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 pacific white leg shrimp, sustained measures to ensure quality and increase in infrastructure facilities for production of value added products has largely aided India's export growth.

In fiscal 2017, shrimp and prawns exports recorded a year-on-year growth of approximately 21.5% in value terms and approximately 15% in volume terms.

Industry exports size for shrimps and prawns (value)

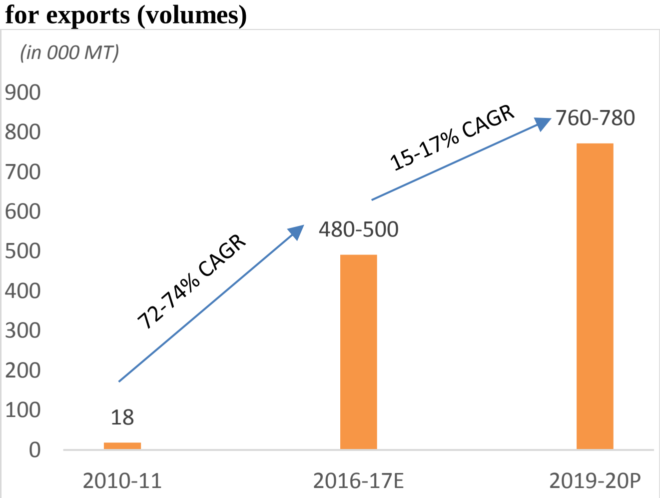


Note: P: Projected; E: Estimated;

Source: MPEDA, CRISIL Research

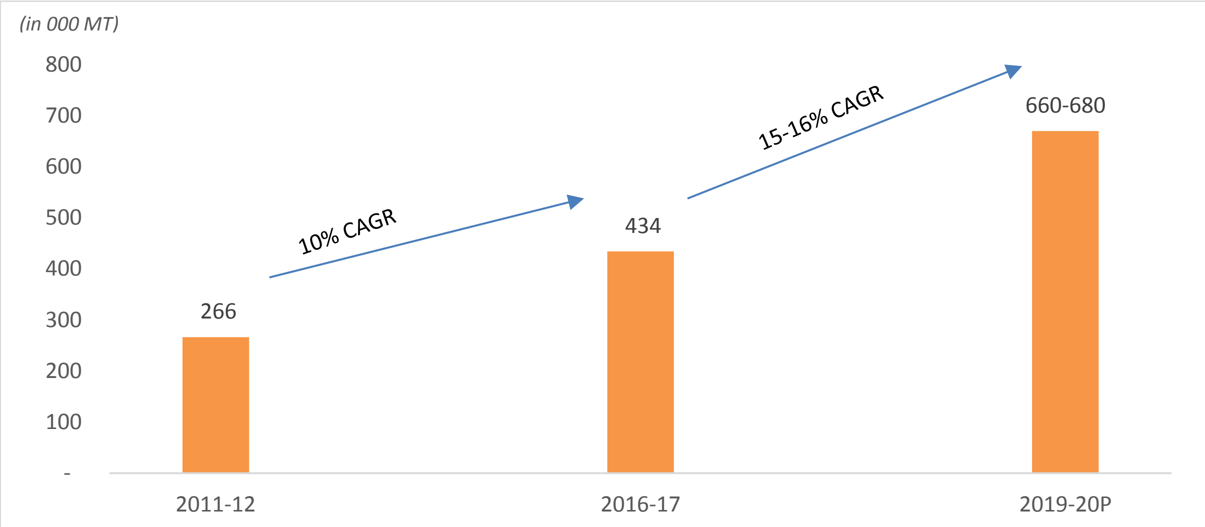
White leg shrimp account for more than 75% of total shrimp and prawn exports in volume terms. Over the last five years from fiscal 2012 to 2017, the export production volumes for this species registered a relatively higher CAGR of 72-74% to 480,000-500,000 MT owing to lower base. Over the next three years from fiscal 2018 to 2020, on the back of rising demand for pacific white leg shrimp, CRISIL Research expects the overall shrimp and prawn export volumes to grow at 15-16% CAGR to reach between 0.66 million to 0.68 million MT by fiscal 2020, and for pacific white leg shrimp production to account for over 90% of total shrimp export production by fiscal 2020 (from 84% in fiscal 2017).

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



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

Trend and outlook for shrimp and prawn exports (volumes)

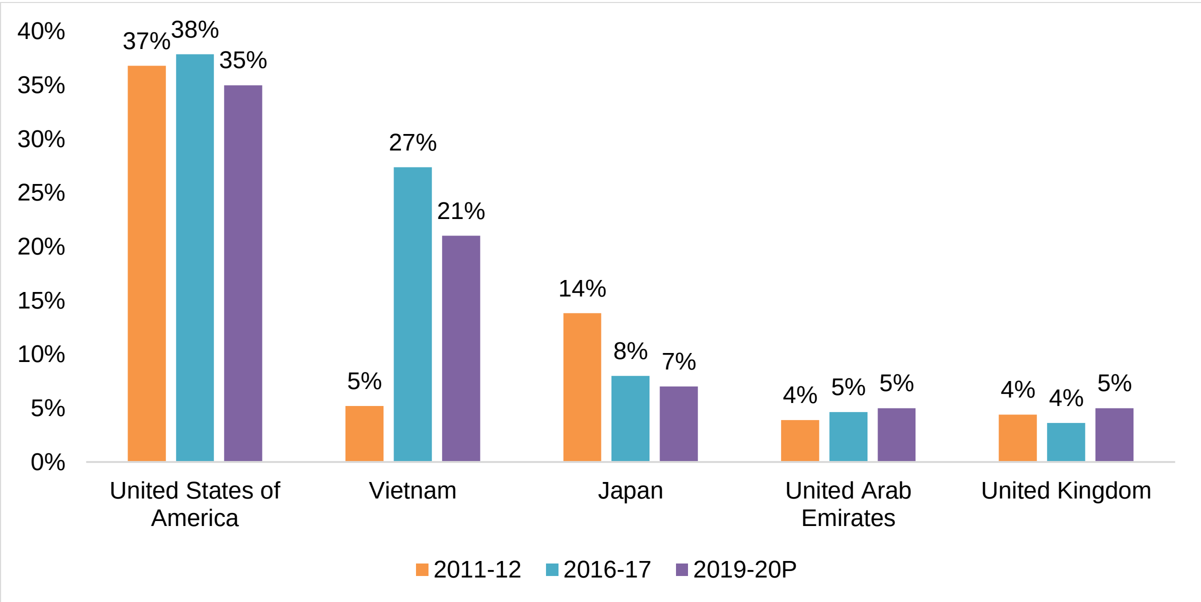


Note: P: Projected; E: Estimated

Source: MPEDA, CRISIL Research

CRISIL Research notes that the US, Vietnam, Japan, the UAE and the UK are the top five importers of Indian shrimp. Together, these countries accounted for more than three-quarters of total shrimp exports from India in fiscal 2017. The US 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 SEA which destroyed aquaculture farms in the country. In order to fulfil 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)



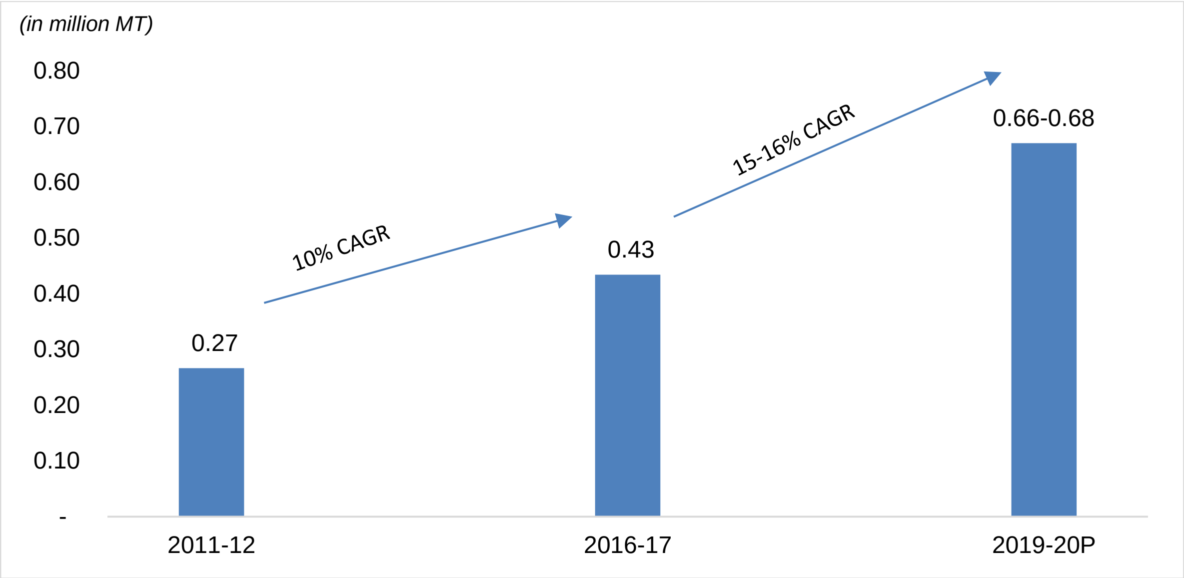
Source: UN ComTrade, CRISIL Research

Going forward, CRISIL Research expects demand from the US and Vietnam to continue rising. Although the SEA 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.

Andhra Pradesh dominates shrimp exports

India's shrimp exports grew over 2010-11 to 2015-16 on the back of high growth witnessed by Andhra Pradesh during the corresponding period. During these five years, 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, CRISIL Research expects Andhra Pradesh's volumes with respect to production for exports to grow at a CAGR of 16-17% to 550,000-570,000 MT by 2019-20.

Trend and outlook for shrimp and prawn exports (volumes)



Value-added products

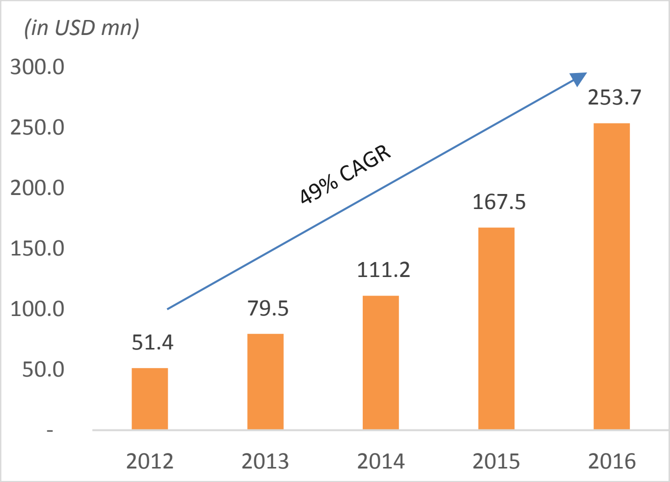
The shrimp processing industry is steadily shifting from supplying raw materials and semi-processed products to ready-to-eat VAP. VAP processes differ from product to product involving use of skilled workmanship and various flavoring and breading ingredients etc. The prices of value added shrimp are directly proportional to the degree and nature of the value addition.

India is the fastest growing export country in the world for prepared shrimp and prawns

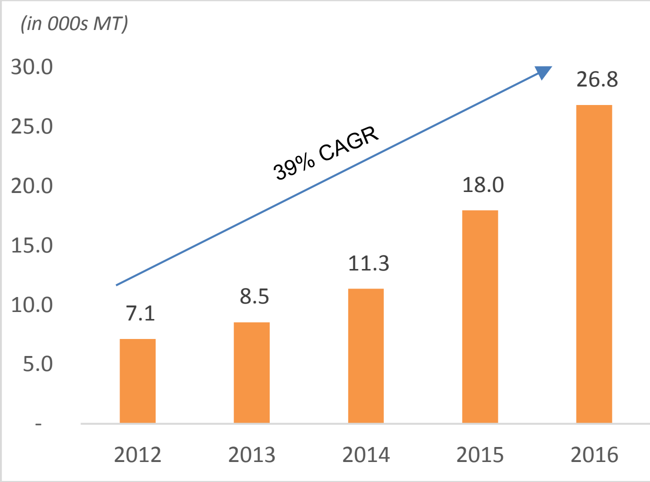
Currently, India is a small player in the prepared shrimps and prawns exports and accounts for around 7% of the global exports in 2016. However, owing to its high potential, Indian companies have started focusing on this segment as well. Most shrimp processing companies in India have surplus capacity and are considering diversifying production, implementing value addition and exploring new markets. Government assistance programmes (technology upgradation for production of VAP, infrastructure development and tailor-made market promotion activities) are being undertaken accordingly.

The value of India's exports of "shrimps and prawns, prepared" has increased at a CAGR of approximately 49% during the five year period from 2012-2016 (*Source: data from UN ComTrade*). During the corresponding period, India's VAP exports volumes grew at approximately 39% CAGR, indicating a strong growth in realisations. The US, with a volume share of around 60%, accounted for the largest share of prepared shrimps and prawns exported by India in 2016. CRISIL Research notes that Andhra Pradesh, Kerala and West Bengal are the current leading shrimp producing states in terms of value addition of marine products.

Trend in India's VAP exports (value)



Trend in India's VAP exports (volumes)



Source: UN Comtrade, CRISIL Research

Andhra Pradesh is the most favourable state in terms of aquaculture policies

In order to provide support for the seafood industry, the Indian government carried out the following initiatives:

- setting up the National Fisheries Development Board in 2006, in order to study the potential of the seafood sector, the processing and marketing of seafood, and the application of modern tools of research and development for optimising production and productivity in seafood;
- establishing a statutory body, the CAA, which is assigned the primary task of regulating coastal aquaculture activities to ensure sustainable development without causing damage to the coastal environment;

The key laws and regulations governing the aquaculture industry include the Indian Fisheries Act (1897), the Environmental Protection Act (1986) and the Water (Prevention and Control of Pollution) Act (1974) and the Wild Life Protection Act (1972). Following a Supreme Court of India decision in December 1996 regarding the setting up of shrimp farms in coastal areas, the Aquaculture Authority was established pursuant to the Environment (Protection) Act, specifically to deal with protecting ecologically fragile coastlines, and in particular the situation created by the shrimp culture industry. The Aquaculture Authority issues guidelines for various environmental issues including effluent discharge, sustainable development and loss of biodiversity. The national schemes are supported by state-level initiatives.

According to CRISIL Research, Andhra Pradesh is the most favourable state as far as policies are concerned, with the government offering subsidies and incentives for setting up farms, purchasing feeds, and setting up processing units and tax exemptions. In contrast, no high impact incentives are offered in West Bengal, Gujarat and Kerala for aquaculture.

The array of subsidies offered in Andhra Pradesh include:

- Subsidies for mechanisation of aquaculture farms (50% subsidy).
- For shrimp processing (including cold chain maintenance).
- Capital subsidy of 50% (including land cost - less than 15% of project cost) - upper ceiling of Rs 50 million per project.
- NFDB (National Fisheries Development Board) subsidy for fish feed, nets and other equipment.
- The Government of Andhra Pradesh has abolished the NALA (Non-Agricultural Land Assessment) Tax for the benefit of aquaculture.
- Interest subvention (of 6% per annum) on loans for setting up feed manufacturing units, aerator manufacturing and fish processing equipment.
- Financial assistance to set up soil/water testing labs and quality control labs.

State-wise regulations

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

Source: CRISIL Research

Note:

Govt. incentives highly favourable

Govt. incentives marginally favourable

Absence of any specific govt. incentives

Growth drivers and key risk factors

CRISIL Research expects demand for white leg shrimp to rise in the coming few years owing to their unique taste and ease of availability. On the supply side, too, farmers are scaling up the production of white shrimps, as they are easy to cultivate and command high export realisations.

Some of the key growth drivers are as follows:

- Fast growth rate and easy cultivation due to high tolerance of a wide range of salinities, have led to a greater adoption of white leg shrimp cultivation and consequently growth of the overall shrimp industry;
- High survival rates of 50-60% in hatcheries due higher tolerance to low temperatures as well as higher resistance to diseases, compared to black tiger shrimp;
- Economical to rear as they have higher yields and require feed with lower protein content (20-35%), compared to tiger shrimps (38-40% content);
- Unused AUC, where currently only 10-15% of India's 1.2 million ha of brackish water being utilized for aquaculture currently, with significant potential for the industry to grow to meet increasing demand;
- High farm yield due to better management practices;
- Increased public investments such as the setting up of various development funds for the fisheries and animal husbandry sectors to finance the infrastructure requirements of such sectors;
- Strong global consumption demand for shrimp as well as VAP shrimp products;
- Diversification into VAP products such as packaged seafood, ready-to-cook and ready-to-eat products, which are expected to drive demand growth in the future;
- Direct supply chain relationships with high value end-users such as supermarkets, such as exporters providing value-added services like vendor management facilities to reduce the need for end-users to manage inventory;
- Better realisations leading to many players undertaking shrimp cultivation to cater to rising demand;

- Increasing health awareness leading to a rise in shrimp demand, due to shrimp being a rich source of nutrients;

- Increasing urbanization in the domestic market, leading to rise in demand in high-end restaurants for seafood preparations as they fetch better realisations.

Some of the key challenges faced during their cultivation are:

- Susceptibility to disease, such as white spot syndrome, which are difficult to treat. While specific pathogen-free stock has been developed to counter the presence of such viruses, the list of such viruses is not exhaustive;

- High vulnerability to oxygen deprivation leading to suffocation;

- High competition in the international market, due to the number of exporting countries producing white leg shrimp;

- Adverse regulatory environments in key export markets such as the US, with their anti-dumping policies;

- Outbreak of diseases in farming areas in India which may affect shrimp production;

- Import bans from key export markets due to residue of banned substances or presence of substances beyond tolerance levels found in shrimp;

- Uncertain environmental conditions such as temperature, strong winds, etc. impacting production levels;

- Maintaining quality of exports to key export markets;

- The perishable nature of shrimp required the availability of cold storage facilities.

OVERVIEW OF THE SHRIMP FEED INDUSTRY

Animal feed industry

CRISIL Research notes that the Indian animal compound feed industry has recently emerged as one the fastest growing compound feed markets in the world. Increasing livestock population and growth in end-user industries have contributed to its rising popularity. The animal feed industry is broadly classified into: cattle feed, poultry feed, aqua feed (fish and shrimp) and others.

CRISIL Research estimated the animal compound feed industry in India at Rs 715-725 billion as of fiscal 2017. In volume terms, India is one of the largest global producers of animal feed with an annual production of 25-27 million MT, growing at a fast clip. The industry is expected to grow at 13-15% CAGR and reach Rs 1,070-1,080 billion by fiscal 2020. Among the three segments, CRISIL Research expects aqua feed to grow the fastest at 17-19% CAGR, followed by poultry feed at 14-15% CAGR and cattle feed at 10-11% CAGR.

The aqua feed segment, which currently enjoys a share of 12%, is driven by the increased usage of shrimp feed. Under aquaculture, shrimp exports have seen a robust growth of 33% CAGR during fiscals 2010 to 2015, and since shrimp cultivation is largely organised, it has had a cascading effect on the consumption of shrimp feed.

CRISIL Research notes that in fiscal year 2017, Devi Sea Foods Limited was among the top five players in the shrimp feed industry by installed capacity.

Size of the Indian animal compound feed industry

Feed segment	Industry size by volume as of FY17 (million MT)	Industry size by value as of FY17 (Rs billion)	Industry size by volume as of FY20 (million MT)	Industry size by value as of FY20 (Rs. billion)
Poultry feed	16-17	480-490	20-21	730-740
Cattle feed	7.5-8.5	148-150	9-10	197-199

Feed segment	Industry size by volume as of FY17	Industry size by value as of FY17	Industry size by volume as of FY20	Industry size by value as of FY20
	(million MT)	(Rs billion)	(million MT)	(Rs. billion)
Aqua feed	1.6-1.8	85-86	2.2-2.4	142-143
Total	**25.1-27.3**	**715-725**	**31.3-33.3**	**1,070-1,080**

Note: CRISIL Research has considered cattle, poultry and aqua feed segments while arriving at market size of Indian animal compound feed industry.

Source: CRISIL Research

Aqua and shrimp feed industry

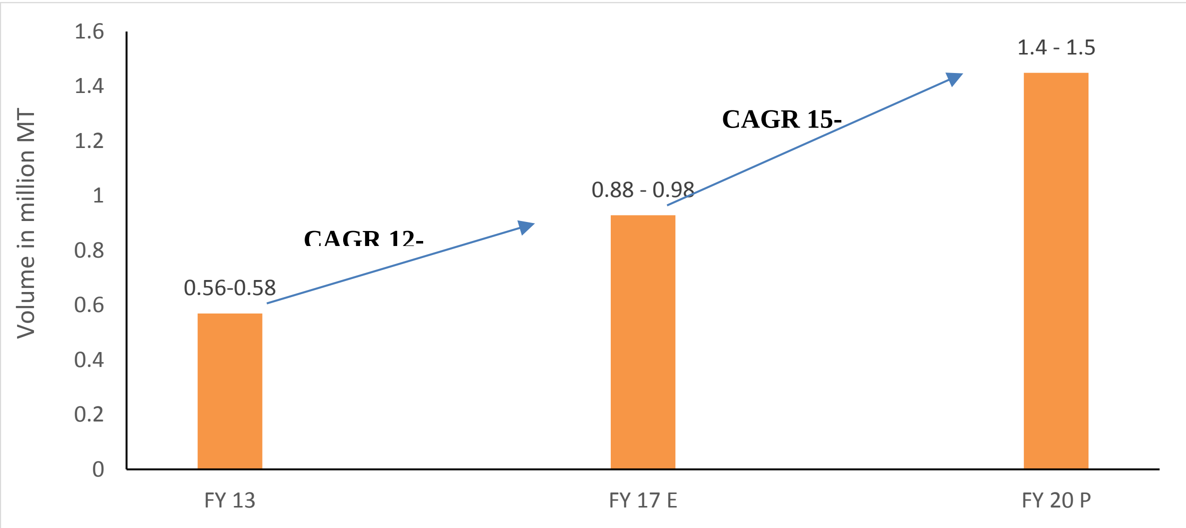
The shrimp feed segment is highly organised as the shrimp industry caters to the export market, with organised players accounting for 80% of the shrimp feed industry. There has been a higher usage of shrimp feed given that a large part of the shrimp export market is catered to by aquaculture farms. On the other hand, wild catch still comprises a significant share in case of fisheries, leading to a lower share of the organised fish feed segment.

Shrimp feed market size

CRISIL Research notes that since more than 80% of shrimp cultivated in India are for export, the quality of shrimps exported needs to meet internationally acceptable standards. Hence, shrimp producers prefer using compound shrimp feed to provide the requisite nutritional benefits.

The total market size of the shrimp feed industry was estimated at 0.88-0.98 million MT in fiscal 2017, which grew at an annual rate of 12-14% between fiscal 2012 and fiscal 2017. In value terms, the industry stood at Rs 64-66 billion, growing at a CAGR of 24-25% during the corresponding period due to improved realisation.

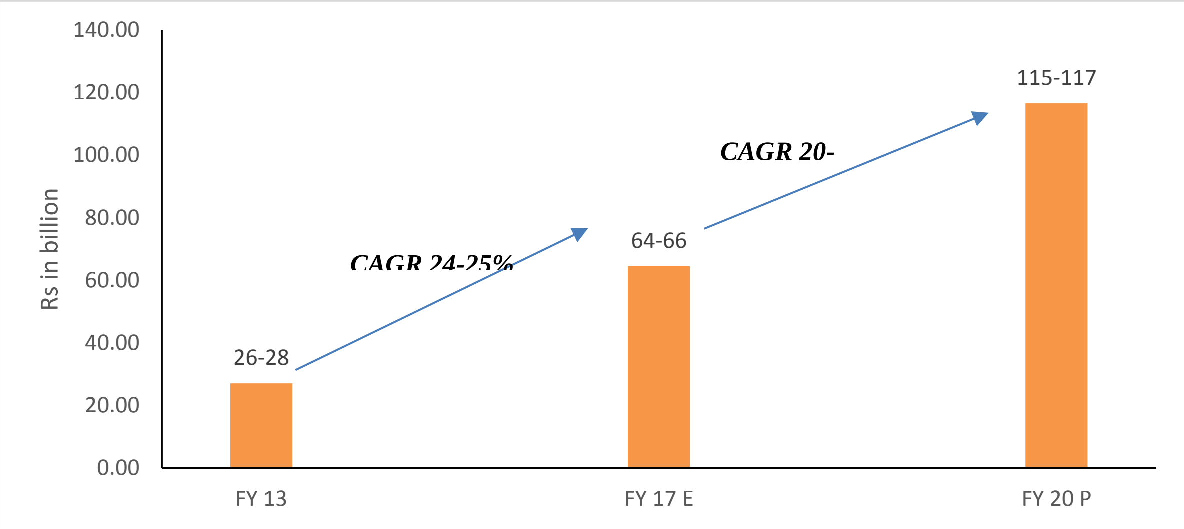
Trend in shrimp feed industry in India (volume terms)



Note: E- Estimated, P – Projected

Source: CRISIL Research

Trend in shrimp feed industry in India (value terms)



Note: E - Estimated, P – Projected

Source: CRISIL Research

CRISIL Research expects higher shrimp cultivation to drive the growth in the shrimp feed industry in the next three years. CRISIL Research expects the shrimp feed industry to grow at 15-17% CAGR in volume terms and at 20-22% CAGR in value terms by fiscal 2020, which will primarily be driven by the increase in shrimp cultivation and continued demand from US and Vietnam. Feed costs also constitute a major share (50-70%) of the overall production costs in shrimp farming. CRISIL Research notes that the use of quality compound feed leads to an improvement in shrimp production as compared to non-compound or natural feeds like ice or wheat bran, oil cakes and other vegetable leftovers etc.

CRISIL Research notes that since majority of shrimps are exported, farmers are required to maintain certain quality standards and are more likely to prefer a more established brand of feed. Organised feed manufacturers have the competitive advantages of procurement of raw material on account of their wide presence across geographies and scale of operations. While barriers to entry in the feed manufacture segment are fairly low (in terms of setting up of infrastructure and actual production), a large number of players find it difficult to crack the market because of the lack of consistency in quality and supply, as well as lack of confidence building measures among farmers.

CRISIL Research also expects feed stocks and other inputs used in the aquaculture industry to see a rise in demand corresponding to the growth potential of shrimp production over the next few years. The sudden spike in the aquaculture activity since 2009-10 has resulted in a shortage of quality shrimp feed required for shrimp farmers' farming operations. Currently, the annual shrimp feed demand in the country is estimated to be more than 1 million MT, with the organized players accounting for around 60% of the share, while the rest being catered to by either the unorganized sector or import from countries like Thailand, Indonesia, Taiwan etc. Additionally, CRISIL Research expects shrimp farming activity to grow in the coastal states on account of attractive returns witnessed over the last few years, which is expected to further boost demand for shrimp feed which will be met by introduction of new capacities in the industry by existing players as well as new entrants.

Success factors for a shrimp feed brand

Following attributes are critical to the success of a feed brand:

- High feed conversion ratio ("**FCR**")
- Ability to support quicker shrimp growth
- Shrimp feed must be highly palatable
- Consistency of supply and quality
- Pricing of the product
- Packaging and optimal storage conditions
- Spread of distribution network
- Dealer profitability
- Technical support services provided to farmers
- Constant innovation and upgradation of the products

Source: CRISIL Research

According to CRISIL Research, a shrimp farmer has two major concerns regarding the harvest: namely the quality of the harvest, and the turnaround time to produce it. Thus, a feed brand should contain the necessary ingredients to fulfill these conditions. CRISIL Research notes that an ideal FCR always results in model growth rate, healthy shrimp and clean pond bottom conditions, and superior quality of feed would be able to achieve an FCR of 1.2. Besides feeding management, the FCR is also closely related to the quality of feed. Feed quality will rapidly deteriorate if feed is not packed well and properly stored. Feed should be stored in a dry, cool and well-ventilated place to maintain consistent moisture and temperature. Feed should not be stored in direct sunlight and should not be kept longer than 3 months from the time of processing. The spoiled or old feed should not be used.

A feed manufacturer also has to make sure that his products are available in the target markets throughout the year, thus ensuring a sense of reliability and consistency towards its brand. For this purpose, the feed manufacturer needs to have a strong and efficient distribution network in place by ensuring strong returns to every constituent of this network. The feed manufacturers also need to engage directly with the farmers by providing technical services and other related facilities in order to build trust with respect to its brand and ensure market recognition. Additionally, a player which involved in the processing business, can ensure earnings visibility and financial security to the farmers by providing them adequate farm produce purchase support.

As feed is one of the major inputs required for aquaculture, R&D plays a major role in the aqua feed industry. Density, hardness and fat absorption are some of the features of aqua feed in terms of ingredients and processing methods. Numerous plant and animal feed ingredients need to be evaluated to determine their nutritional properties and to maintain balance in production of aqua feed for new aquatic species. Feed additives, another important component of aqua feed, also require R&D efforts to enhance feed digestibility, accelerate growth, prevent diseases, build immunity, increase fish/shrimp appetite, etc.

Growth drivers for shrimp feed industry

CRISIL Research notes that the increasing global demand for shrimp is one of the key factors driving the aquaculture industry. Shrimps are among the most popular seafood in Japan, the US and Europe. Strong demand from these markets has led to a significant increase in aquaculture activity in India. The overall shrimp exports grew at a robust 16% CAGR in value terms between fiscals 2012 and 2017. During the period, volume grew by 10%, while realisation grew by 6%.

Going forward, from 2016-17 to 2019-20, CRISIL expects India's shrimp export to grow at a CAGR of 15-16%

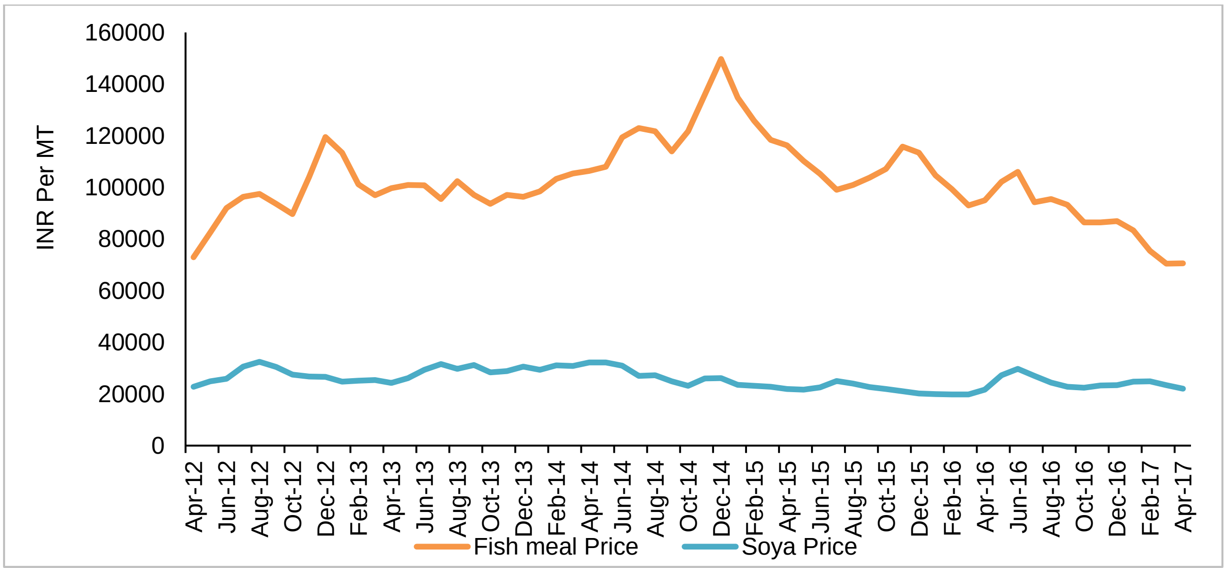
as compared to 10% CAGR seen during the last five years i.e. 2011-12 to 2016-17.

Other factors include increased government support for aquaculture (with more than 25 schemes in place for promotion of fisheries exports), rising per capita seafood consumption, the development of aquaculture farms, and growth in income and health awareness.

Challenges faced by the industry

The volatility of raw material prices would adversely affect manufacturers of aqua feed. Major raw materials used are soya and fish meal.

Raw material price trend



Source: Indexmundi, CRISIL Research

Other key challenges include the non-availability or uncertainty in availability of raw materials, import bans from key markets on products with residue of banned substances, aquaculture diseases and the ability to gain and sustain farmers' trust and confidence.

CRISIL Research notes that the Indian shrimp industry has seen several instances of players across the value chain venture into forward or backward integration, to gain greater control, reduce dependency on suppliers and increase competitiveness. For example, for a shrimp processing player, entering shrimp feed manufacturing allows greater control over timely supply of feed instead of relying on external suppliers. As such, a processing player can leverage on its brand name and relationship with the farmers from whom it secures raw shrimps. Considering the fact that feed accounts for a majority share of costs, this helps control input costs for farmers and to some extent for the processing player (due to limited captive farming shrimp farming currently). Additionally, strong growth in shrimp exports has encouraged large, branded organised players to enter the aquafeed industry. Conversely, entering into hatcheries and processing segments allows shrimp feed manufacturing players to move higher up in the value chain.

OVERVIEW OF THE US SHRIMP INDUSTRY

Overview

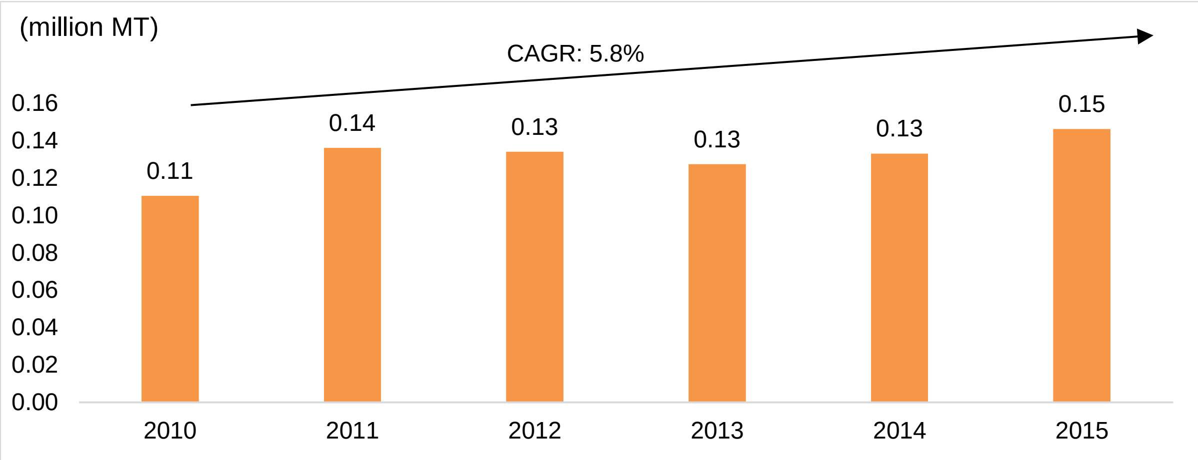
Macroeconomic Indicators

CRISIL Research expects per capita seafood consumption to increase by a 0.1% by 2026 (*Source: OECD-FAO 2017-2026 Report*). Such lower increase is attributable to slowing population growth and dietary shifts, as well as increasing concerns about sustainability, animal welfare and food safety affecting consumption patterns, including consumption for fishery products.

CRISIL Research notes that the USA's seafood production remained stagnant from 2011 to 2017, but has been a major net importer of fish and its products. In terms of seafood import demand, shrimp remains the USA's top choice. The USA is the single largest shrimp importer globally, and continues to influence international shrimp trade.

The USA's shrimp production has increased at CAGR of 5.8% from 0.11 million MT in 2010 to 0.15 million MT by 2015. However, CRISIL Research notes that the USA's shrimp production is generally dominated by the capture method, accounting for approximately 99% share in total shrimp production in 2015. Domestic shrimp farmers have switched to other seafood species over past few years, as shrimp prices have been driven down by imports. Given stricter environmental regulations by United States Department of Agriculture (the "**USDA**") and higher feed costs, domestic production has been muted from 2011 to 2015.

US's shrimp production



Source: FAO, CRISIL Research

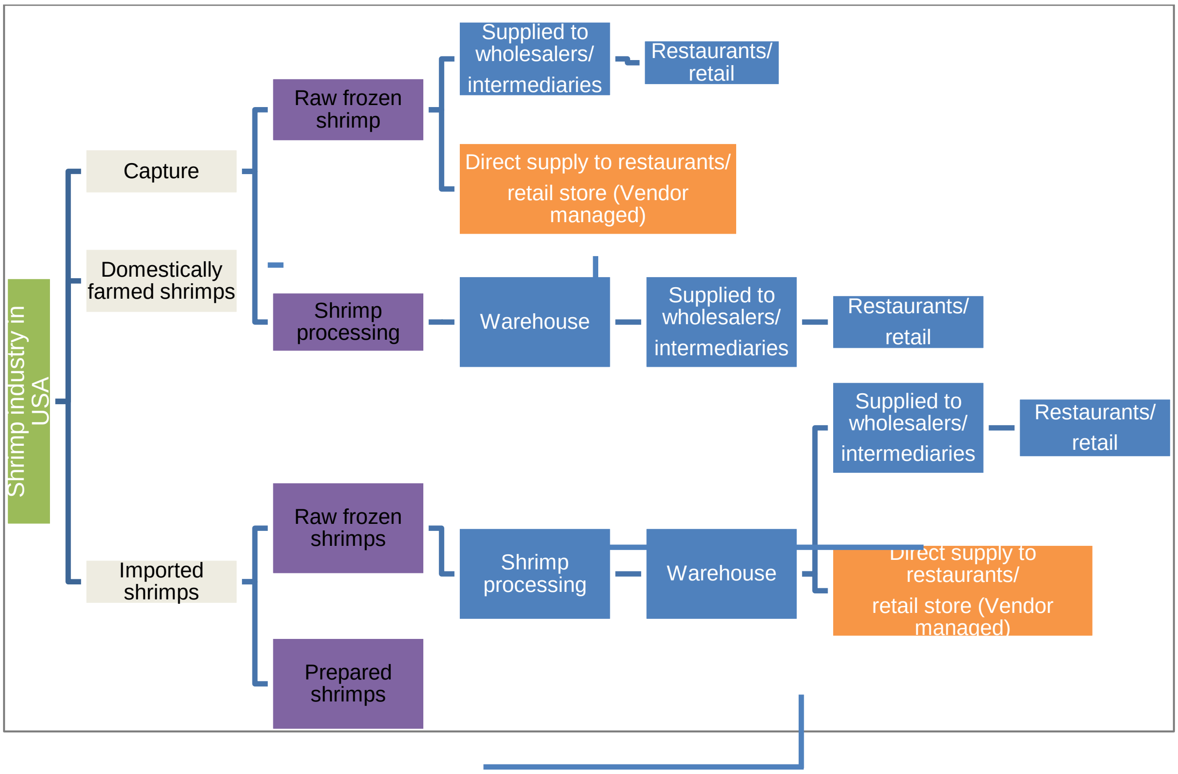
Value Chain

The US shrimp industry value chain involves production, import, processing and supplying of shrimps to the last mile. Since the US is a major producer of capture fisheries, captured shrimps are sold raw frozen to restauranteurs and retailers or processed further, in accordance with client or market requirements. Farmed shrimps are also sold either raw frozen or after processing, directly to consumers or through an intermediary, who may further supply shrimps to restaurants and retail stores where it reaches the end user. In the US, shrimp reach institutional outlets (hotels, restaurants, etc) and retail outlets in many different forms. While small quantities of shrimp are sold to these outlets in the form in which the shrimp are taken from the water (i.e. with the inedible parts), the bulk undergo processing, such as removal of one or more of the inedible parts, freezing, breading, cooking, drying, etc.

Imported shrimp also go through a similar supply chain. Warehouses form an integral part of the supply chain where shrimp are stored under appropriate conditions (maintained temperature, humidity, etc.) to preserve their quality and taste. Transportation takes place directly from warehouses, either to intermediaries or through vendor-managed supply service that sells inventory to institutions and retail stores without the aid of intermediaries.

Vendor-managed inventory is also gaining impetus in the US. CRISIL Research notes that a few shrimp exporters also have their own warehousing facilities and in-house overseas distribution wings, which gives them the flexibility to control their operations as well as expand their reach in international markets. This limits the role of traditional intermediaries in the supply chain.

Shrimp supply chain in USA

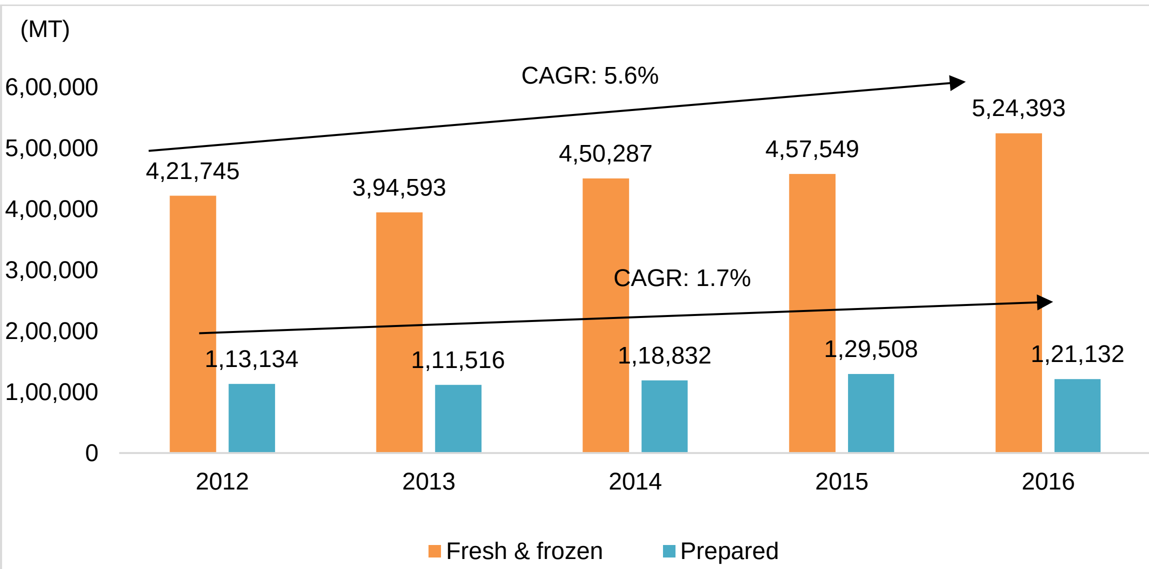


Source: CRISIL Research

Shrimp imports

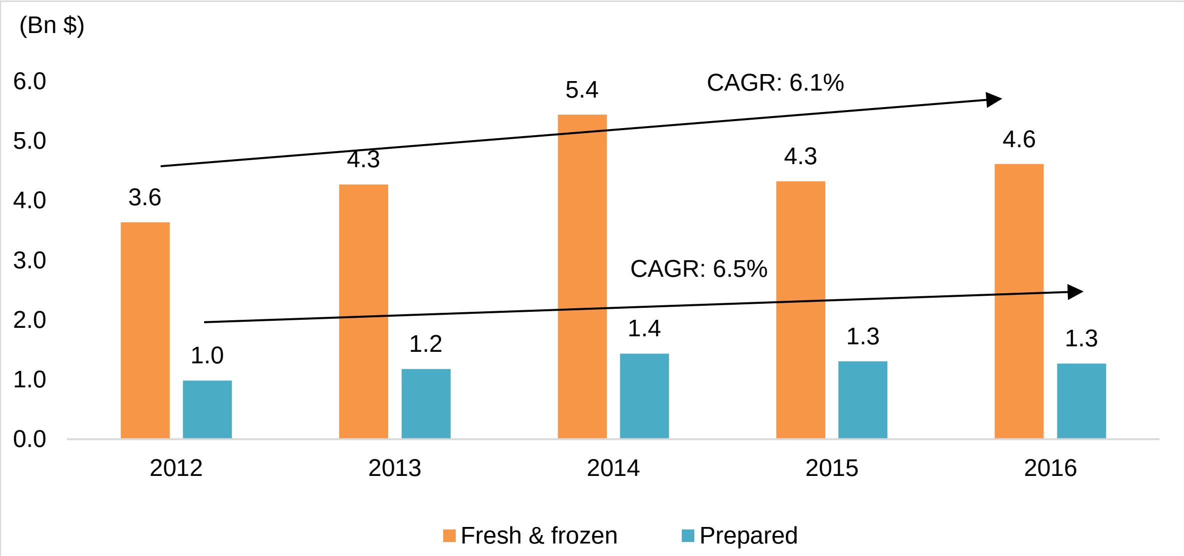
The USA imported 645,525 MT of shrimp and prawns (in terms of volume) from the world in 2016. The quantity of imports increased at CAGR of 4.8% between 2012 and 2016. During the corresponding period, the volumes for fresh and frozen shrimps and prawns rose from 421,745 MT in 2012 to 524,939 MT in 2016, depicting CAGR of 5.6% while the volumes for prepared shrimps and prawns grew at a strong 17% CAGR to 121,131 MT in 2016 from 113,134 MT in 2012. In 2016, 5.9 billion dollars of fresh and prepared shrimps and prawns were imported by the USA, of which 4.6 billion dollars consisted of fresh and frozen, and 1.3 billion dollars of prepared shrimps and prawns.

US's imports of shrimps and prawns (volume)



Source: UN ComTrade, CRISIL Research

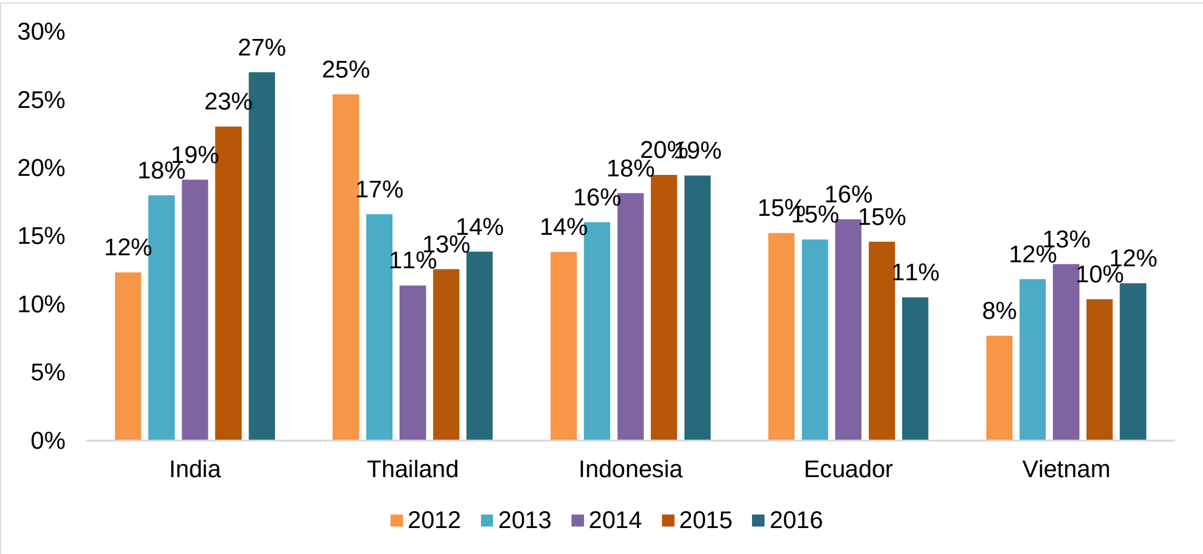
US's imports of shrimps and prawns by value



Source: UN ComTrade, CRISIL Research

The USA's imports of shrimp and prawns increased at a CAGR of 6.2% over 2012 to 2016 (in terms of value). Primary exporters of shrimp and prawns to the USA in 2016 were India, Indonesia, Thailand, Vietnam and Ecuador. CRISIL Research notes that while Thailand was the largest exporter of shrimp and prawns in terms of volume in 2012, India has been the largest exporter of shrimp and prawns (in terms of value) since 2013 to 2016.

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



Source: UN ComTrade, CRISIL Research

The top three exporting countries of fresh and frozen shrimp and prawns to the US in 2016 were India, Indonesia and Ecuador. India's fresh and frozen shrimp exports, in volume, grew at CAGR of 27%, from 63,440 MT in 2012 to 164,133 MT in 2016. In value terms, India's exports in fresh and frozen shrimp and prawns to the US grew from 0.6 billion dollars in 2012 to 1.4 billion dollars in 2016, at CAGR of 26%.

The US, being the major importer of shrimps in the world, imported around 121,131 MT of prepared shrimps and prawns during 2016, exhibiting a CAGR of 1.7% in volume terms and 6.5% in value terms during 2012-2016. Vietnam and Thailand (among the top five exporting countries of shrimps and prawns to the US) have been known for importing shrimps and prawns from other Asian countries to produce VAP for re-exporting to developed countries like the US. Emerging economies and industrialisation in many former third-world countries, as well as new, second and first-world countries are driving demand for VAPs. CRISIL Research notes that the US will also show a similar trend where rising disposable income will push up demand for VAPs.

On the other hand, the top three countries exporting prepared shrimp and prawns to US during 2016 were Thailand, Vietnam and Indonesia. While India stood fifth in prepared shrimp and prawn exports to the US by volume, it has exhibited a CAGR of 41% from 2012 to 2016.

Key government regulations on shrimp imports

The FDA is responsible for the safety of all fish and fishery products entering the US. As part of the FDA's import safety effort, the agency has implemented a number of measures to identify immediate or potential threats, including:

- Hazard Analysis and Critical Control Points (HACCP), where food safety is addressed through the analysis and control of biological, chemical and physical hazards such as inspections of seafood importers and sampling of seafood offered for import into the USA;
- Performing foreign site inspections on a yearly basis; and
- Foreign country assessments, which are systems reviews that offer the FDA a broad view of the ability of a country's industry and regulatory infrastructure to control aquaculture drugs.

US' antidumping duty on frozen warmwater shrimp

The antidumping and countervailing duty operations enforce US antidumping duty and countervailing duty laws through the conduct of investigations and reviews to remedy unfairly traded, dumped and/or subsidized imports and determine the appropriate duties to offset the unfair trade practices.

The US, which is the largest importer of Indian shrimps, reduced anti-dumping duty (in September 2017) on perishable items to 0.84% for 231 Indian exporters based on reviews of the anti-dumping duty for February 1, 2015 to January 31, 2016. Among the Indian companies, Devi Sea Foods Limited has been exempted from paying duty after 1st February 2009 (75 FR published July 19th, 2010). Additionally, Falcon Marine Exports Limited has been exempted from paying any duty for the review period of February 2015 to January 2016.

OUR BUSINESS

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 14 and 16, respectively.

Unless otherwise indicated on the context otherwise required, the financial information included herein is based on our Restated Consolidated Financial Statements. For further information, see "Financial Statements" on page 174.

Overview

We are a leading producer of processed shrimp and shrimp feed headquartered in Visakhapatnam, Andhra Pradesh. For fiscal year 2017, we were the second largest exporter of shrimps from India in value terms and we have also received awards from MPEDA (an authority under the Minsitry of Commerce and Industry) for two consecutive years (fiscal years 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India (*Source: CRISIL Research*). We have a 25 year history in shrimp processing and sell processed shrimp with varying degrees of value addition to our customers, located primarily in the United States. Our major customers in the United States include food service distributors, restaurant chains, retailers and distributors, and warehouse chains. We sell processed shrimp products in the United States market through our wholly owned subsidiary in the United States, Devi Sea Foods Inc. (the "**Subsidiary**"), which was incorporated in 2005. In March 2016, we started the complementary business of manufacturing quality shrimp feed.

We are an integrated player across the processed shrimp supply chain from shrimp seed production, raw shrimp procurement, processing, and overseas distribution to our customers. We procure raw shrimp primarily from aquaculture farmers across the east and west coast of India, and also produce small quantities of raw shrimp at our captive shrimp farms. We process raw shrimp into exportable "ready to eat" or "ready to cook" frozen forms at our processing facilities. We have two shrimp processing facilities located in Andhra Pradesh. As of December 31, 2017, the combined installed capacity of our shrimp processing facilities was 19,250 MT.

According to CRISIL Research, the global per capita consumption of seafood increased from nearly 18 kg in 2007 to over 20 kg in 2017 and is expected to increase further to approximately 22 kg by 2026, driven by rising population and disposable income. In 2017, India was the third largest seafood producer and the second largest aquaculture producer in the world and amongst the top five shrimp producers globally. As a result of its vast coastline, suitable climatic conditions for shrimp production, abundant availability of brackish water area, and abundant labor availability, shrimp production in India has grown at a CAGR of 30% for the period from 2010 to 2015. The United States is the biggest importer for processed shrimp in the world and is highly dependent on imports to meet its domestic requirements. CRISIL Research expects that over the next three years (fiscal 2018-2020), Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms and 15-16% in volume terms. Further, CRISIL Research expects the shrimp feed industry to grow at a CAGR of 15-17% in volume terms and 20-22% in value terms by fiscal year 2020. For further details, please see "*Industry Overview*" on page 91. We expect to leverage our strengths to capitalize on the growth in the processed shrimp and shrimp feed industry segments.

We export our processed shrimp primarily to North America and also to South-East Asia and other markets. In the United States, we have bulk supply orders from our major customers for the supply of processed shrimp, typically for a one year period, and in the case of our largest customer (in terms of revenue), three years. Our Subsidiary provides vendor managed inventory services to our major customers across various locations in the United States, which involves procurement of processed shrimp at pre-specified quality standards and product specifications (from our Company and from other producers based primarily in India, China and Indonesia), storing them in cold storage at warehouses in the United States and distributing to over 60 locations across the United States on a periodic basis. Our Subsidiary supplies shrimp through a "program" business model to our major customers, which we believe is a key competitive differentiator and has been instrumental in strengthening our relationship with these customers. Our major customers in the United States are a leading food service distributor, a full service restaurant chain, a seafood restaurant chain and a casual dining restaurant chain.

Further, we are excluded from anti-dumping duty levied by the United States Department of Commerce, in relation to the products manufactured and exported into the United States by us. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) We believe this provides us with a significant competitive advantage compared to other exporters of shrimp into the United States. For details, please see "*Industry Overview – Government Regulations in Key Consuming Countries*" on page 97.

In addition to our processed shrimp business segment, we manufacture shrimp feed under the "*Devee*" brand at our feed mill located in Andhra Pradesh. We commenced the production of shrimp feed in March 2016, and we believe that our shrimp feed has since been well received by the aquaculture farming community in India. We sell to shrimp farmers primarily in the states of Andhra Pradesh, Tamil Nadu, Gujarat and Odisha. We believe that our position in the shrimp industry has helped us to gain a sizeable market share in the Indian shrimp feed industry and our shrimp feed manufacturing capacity of 40,000 MT per annum which became operational by March 2016, was expanded to 80,000 MT per annum for the year ended March 31, 2017. We expect to add further capacity of 45,000 MT/PA by March 2018.

The table below sets forth certain key financial information in relation to our operations:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from operations	14,539.40	16,119.32	9,876.70	9,225.82
Total income	14,651.76	16,251.58	10,022.12	9,448.14
Revenue from operations as a percentage of total income (%)	99.23%	99.19%	98.55%	97.65%
Operating profit	2,143.73	1,599.90	1,139.53	1,044.38
Operating profit margin (%)(1)	14.74%	9.93%	11.54%	11.32%
EBITDA(2)	2,365.48	1,851.06	1,365.27	1,372.49
EBITDA Margin (%)(3)	16.14%	11.39%	13.62%	14.53%

Notes:
(1) Operating profit margin is the ratio of operating profit to revenue from operations, expressed as a percentage.
(2) We calculate our EBITDA by adding back depreciation and amortization expenses and finance costs to our profit before tax, for each of the periods indicated.
(3) EBITDA Margin is the ratio of our EBITDA to our revenue from operations, expressed as a percentage.

The table below sets forth certain key financial information relating to our shrimp segment:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from shrimp operations	11,769.92	14,500.18	9,869.1	9,216.15
% of total revenue from operations (%)	80.95	89.96	99.9	99.9
Operating profit from shrimp operations	1,452.51	1,385.96	1,134.77	1,037.36
Operating profit margin (%)(1)	12.34	9.56	11.67	11.56
EBITDA(2)	1,586.92	1,544.85	1,303.81	1,332.26
EBITDA Margin(3)	13.48%	10.65%	13.21%	14.46%

Notes:
(1) Operating profit margin is the ratio of operating profit from shrimp operations to revenue from shrimp operations, expressed as a percentage.
(2) We calculate the EBITDA from our shrimp segment by adding back depreciation and amortization expenses and finance costs to profit before tax from shrimp operations, for each of the periods indicated.
(3) EBITDA Margin is the ratio of EBITDA from our shrimp segment to the revenue from shrimp operations, expressed as a percentage.

The table below sets forth certain key financial information relating to our shrimp feed segment:

	For the nine months ended December 31, 2017	**For financial year 2017**
	(Rs. in millions, except percentages)	
Revenue from shrimp feed	2,768.13	1,607.54
% of total revenue from operations (%)	19.04	9.97
Operating profit from shrimp feed	694.46	211.31
Operating profit margin (%)(1)	25.08	13.14

EBITDA(2)	744.46	250.78
EBITDA Margin(3)	26.89%	15.60%

Notes:

(1) Operating profit margin is the ratio of operating profit from shrimp feed to revenue from shrimp feed, expressed as a percentage.

(2) We calculate the EBITDA from our shrimp feed segment by adding back depreciation and amortization expenses and finance costs to profit before tax from shrimp feed, for each of the periods indicated.

(3) EBITDA Margin is the ratio of EBITDA from our feed segment to the revenue from feed operations, expressed as a percentage.

Competitive Strengths

Our leading market position in the fast-growing processed shrimp industry

As a result of its vast coastline, suitable climatic conditions for shrimp production, abundant availability of brackish water, and abundant labour availability, shrimp production in India has grown at a CAGR of 30% for the period from 2010 to 2015, from 0.1 million MT to 0.4 million MT (*Source: CRISIL Research*). We have an established presence in this fast-growing industry in India, with a 25 year history in shrimp processing, having commenced operations in 1992 For fiscal year 2017, we were the second largest exporter of shrimps from India in value terms and we have also received awards from MPEDA for two consecutive years (fiscal years 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India (*Source: CRISIL Research*) We believe that our market position and reputation as a quality manufacturer of processed shrimp has driven our revenue growth in prior periods. Our revenue from operations grew at a CAGR of 32.18%, increasing from Rs. 9,225.82 million in financial year 2015 to Rs. 16,119.32 million in financial year 2017.

The United States is the biggest importer for processed shrimp in the world and is highly dependent on the import of fishery products to meet its domestic requirements (*Source: CRISIL Research*). In the United States, as a result of our reputation for quality products and through the vendor managed inventory services of our Subsidiary, we have developed a "program" business, whereby we have bulk supply orders from our major customers for the supply of processed shrimp typically for one year and, in the case of our largest customer (in terms of revenue), three years. We source processed shrimp both from our operations in India and other processed shrimp producers based primarily in India, China and Indonesia, which we sell to our customers in the United States. CRISIL Research expects that over the next three years, Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms, growing from US$3.8 billion in 2017 to US$6.0-6.2 billion in fiscal 2020, and 15-16% in volume terms, growing from 434,000 MT in 2017 to 660,000-680,000 MT in 2020. For further details, please see "*Industry Overview*" on page 91.

Our established presence in this fast-growing industry provides us with a significant competitive advantage and we believe that we are well positioned to leverage our strengths towards the expected growth in the industry.

Our presence in the Indian shrimp feed industry

We believe that we enjoy a good reputation among the shrimp farming community by virtue of our long-standing relationship with shrimp farmers. To leverage our relationship with farmers and to capture the potential for shrimp feed products due to the increased production of white shrimp, we ventured into the shrimp feed business and commenced our feed manufacturing business in March 2016. We sell our shrimp feed under the brand name "*Devee*". In fiscal year 2017, we were among the top five players in the shrimp feed industry according to installed capacity (*Source: CRISIL Research*) For the nine months ended December 31, 2017 and financial year 2017, revenue from our shrimp feed business amounted to 19.04% and 9.97% of our total revenue from operations and operating profit from our shrimp feed business amounted to 31.90% and 12.93% of our total profit before tax. For the nine months ended December 31, 2017 and financial year 2017, the operating profit margin for our shrimp feed business was 25.08% and 13.14%, respectively.

According to CRISIL Research, feed constitutes a major share (approximately 50-70%) of the cost of production of shrimp farmers and we believe farmers choose feed brands with a good track record, high integrity and consistency in supply and quality (in terms of raw material composition). To arrive at the proper formulation for higher shrimp growth in Indian conditions, we conducted research into various combinations of ingredients. As a result, we believe our feed formulation is well suited to white shrimp aquaculture in Indian conditions. Further, our shrimp feed quality is made possible by the use of consistent quality ingredients. In addition, certain farmers to whom we sell our feed supply their harvested shrimp to us. Our relationship with farmers is further enhanced by the fact that our business is integrated across both the shrimp-processing segment and the shrimp feed segment. We believe that we have been able to leverage our strong brand recognition, established presence in the processed shrimp industry and good relationship with shrimp farmers. This has diversified our source of revenue and provided additional opportunities for growth. With the objective of gaining market share in the shrimp feed industry, we are expanding our shrimp feed business by increasing our production capacity to 45,000 MT per annum by March 2018.

Our "program" business model and long-standing relationships with major customers

Through our Subsidiary, we follow a "program" business model with our major customers in the United States, whereby we have bulk supply orders from these customers for the regular supply of processed shrimp typically for periods up to a year, and in the case of our largest customer (in terms of revenue), three years. As a result of the scale of our procurement and processing operations, we believe we are able to commit to supplying large volumes of processed shrimp at pre-specified delivery schedules and at a quality that meets our customers' requirements. Our major customers in the United States are food service distributors, restaurant chains, retailers and distributors, and warehouse chains that require large quantities of processed shrimp specifically produced as per their customized requirements and delivered to them over an agreed delivery schedule. Our Subsidiary provides vendor managed inventory services to our major customers in the United States, which include the procurement of processed shrimp at pre-specified quality standards (from our Company and other producers based primarily in India, China and Indonesia), storing them in cold storage at our warehouses in the United States and distribute to over 60 locations across the United States, where our customers have their presence. As a result of our experience in quality processed shrimp production and procurement, storage, supply, inventory management and delivery logistics we have long-standing relationships with our major customers in the United States. We have a three-year supply contract with our largest customer (in terms of revenue) and one-year supply contracts with our other major customers. We have supplied processed shrimp to our major customers for several years – for example, we have been the shrimp vendor for a leading food service distributor since 2007 and have been supplying processed shrimp to a leading casual dining restaurant chains in the US since the year 2000. For details, see "*Our Business Operations - Our Shrimp Division - Our Processed Shrimp Customers and "Program" Business*" on page 131.

We believe that our "program" business model is a key competitive advantage, as it provides us with visibility of our order book at the beginning of each financial year, opportunity for value-added production and higher price realizations and ease in production scheduling. Our "program" business model also benefits our customers as it provides an assured product supply, product customization and better purchase terms, which we believe leads to customer loyalty and stickiness. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, our major customers contributed (with whom we have "program" business) revenue of Rs. 9,081.00 million, Rs. 11,776.17 million, Rs. 7,565.09 million and Rs. 6,371.86 million, which constituted 77.15%, 81.21%, 76.65% and 71.27%, respectively, of our total revenue from operations. The volume of products which we sell to such major customers grew at a CAGR of 47.48%, from 7,098 MT tons in financial year 2015 to 15,439 MT tons in financial year 2017.

Further, we believe that our "program" business model is difficult for competitors to emulate as it requires large-scale production resources, global procurement capacity of quality shrimp and supply chain infrastructure beyond the country of manufacture. In addition, there also exist tariff barriers (in the form of anti-dumping and other duties) in markets such as the United States, which function as barriers to entry.

Our integrated supply chain operations comprising high volume raw shrimp procurement capabilities and quality processing facilities

Our supply chain operations are integrated from shrimp seed harvesting, raw shrimp procurement, processing, and overseas distribution to our customers. This integration allows us to control the entire processed shrimp production value chain and also provides us with greater food security and traceability.

Our high volume procurement capabilities are a significant advantage and we have long-standing relationships with farmers through whom we purchase raw shrimp. We procure shrimp from both retail farmers and corporate farms located primarily in the state of Andhra Pradesh, and also from farms located in the states of Tamil Nadu, West Bengal, Odisha and Gujarat. Our procurement infrastructure across the east and west coast of India comprises a network of farmers, post-harvest handling infrastructure such as insulated trucks.

Since our inception, we have endeavoured to gain the trust of shrimp farmers, as a dependable vendor to which they can offer their products throughout the year. Due to the scale of our operations and global sales, we are able to purchase large quantities of raw shrimp in different sizes and at all times of the year, which we believe has resulted in the development of our long-standing relationship with farmers. Further, we provide payment settlement directly to farmers through a transparent weighing and payment method, where we pay them directly within 24 hours. We believe this transparent and fast payment system has helped us to gain the trust of shrimp farmers in India, and is one of the key reasons for our popularity and long-standing relationship with our network of shrimp farmers.

Further, we have two shrimp processing facilities located in close proximity to the shrimp farming regions of Andhra Pradesh. As of December 31, 2017, the combined installed capacity of our shrimp processing facilities was 19,250 MT per annum. Both of our processing facilities are equipped with advanced laboratory facilities for raw material and finished product analysis and follow a Hazard Analysis and Critical Control Points ("**HACCP**") compliant production system. Our processing facilities adhere to the guidelines of the U.S. Food and Drug Administration ("**FDA**"), and the EU Veterinary Authority. Our processing facilities, shrimp farms and shrimp hatcheries are also certified by the Global Aquaculture Alliance Best Aquaculture Practices ("**BAP**").

For the nine months ended December 31, 2017 and the financial year ended March 31, 2017, we sold 12,902.27 MT and 13,304 MT of processed shrimp at our processing facilities, respectively, with varying degrees of value addition. We believe our wide-ranging value-added product portfolio is one of our key differentiators. We offer a variety of processed shrimp to our customers, which includes head-on shrimp, shell-on shrimp, easy peel shrimp, peeled deveined tail-on/off shrimp, peeled deveined tail-on butterfly shrimp and cooked shrimp. Our processing infrastructure, our workforce comprising skilled and unskilled workers and equipment for carrying out operations such as sizing, phosphate soaking, steam cooking, freezing and storage enables us to produce a variety of processed shrimp in large quantities, which is a key competitive strength for us.

Economic advantages for our exports to the United States, arising from anti-dumping duty exclusion

We have been excluded from anti-dumping duty levied by the United States Department of Commerce upon shrimp exporters from China, Thailand, Vietnam and India. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) Under the WTO framework, anti-dumping duty is levied when products are sold at less than fair value in export markets. As a result of our focus on value-added products which command higher pricing and our established presence in the United States, we were excluded from anti-dumping duty. We believe that this exclusion provides us with a significant competitive advantage for sales into the United States, as new exporters from India have to pay an anti-dumping duty at the rate of 10.17% and existing exporters from India pay a rate that is subject to revision every year, and is applied retrospectively at the end of each year.

We also believe that the exemption from anti-dumping duty is a reflection of our fair trade practices and has helped in securing repeat business from our major customers in the United States.

Experienced Management Team

We have a strong management team with significant industry experience. P. Brahmanandam, our Promoter and Chairman and Managing Director, has over 25 years of experience in the shrimp industry. He was instrumental in setting up and expanding our operations. K.A. John, our Whole-time Director, has more than 20 years of experience in the shrimp industry and oversees our marketing function in India. Further, Sambasiva Rao Gadde, our Whole-time Director, has over 15 years of experience in finance sector and oversees our financial functions. In addition, the operations of our Subsidiary are led by Sreeram Atluri, a director of our Subsidiary, who has served previously as the chief marketing officer of our Company before being appointed as a director of our Subsidiary.

We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

Our Strategy

Leverage our strengths to capitalize on the expected growth in the Indian processed shrimp industry

According to CRISIL Research, the global per capita consumption of seafood increased from nearly 18 kg in 2007 to over 20 kg in 2016 and is expected to increase further to approximately 22 kg by 2026, driven by rising population and disposable income. Further, CRISIL Research expects that over the next three years, Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms and 15-16% in volume terms. For further details, please see "*Industry Overview*" on page 91. We believe our existing scale of operations and reputation as a quality processed shrimp producer will allow us to capitalize on the growth in the processed shrimp industry. Our processing plants are located in close proximity to the main shrimp farming regions of Andhra Pradesh. In addition, as a result of our long standing relationship with our farmers and strong procurement network, we are able to regularly procure raw shrimp required for our processing facilities. Our revenues have grown over the past years, as a result of organic growth with our major customers and through the addition of new customers and we aim to continue expanding our production volumes. We believe these factors will allow us to capitalize on the expected growth in the Indian processed shrimp industry.

Generate organic growth through capacity expansion to fulfil demand requirements of our program customers

Our Subsidiary procures processed shrimp both from our Company's operations in India and from other producers in countries such as India, China and Indonesia. For the nine months ended December 31, 2017 and the financial year ended March 31, 2017, our Subsidiary procured 25.22% and 24.41% of processed shrimp sold by it to our customers in the United States from external companies. We believe that there is a potential for us to expand our capacity in order to meet the additional demand requirements of our major customers in the United States that is currently met by purchases from other companies. With a view to expanding our operations and increasing our capacity, we intend to build a new processing plant in southern Andhra Pradesh.

We expect that our new production facility will enable us to increase our production volumes, thereby enabling us to increase our business and profitability with our existing customers. We also expect to derive benefits from economies of scale through increase in our production capacity.

Expansion into new geographic markets

We are currently evaluating opportunities of expanding our export operations into China and Japan. In addition, we are also exploring opportunities for expanding our operations into Canada (where we are exploring opportunities to supply processed shrimp to our existing customers that have operations there) and the Middle East (where we are targeting food service companies). According to CRISIL Research, fish forms an important component of protein intake in China. Going forward, the OECD-FAO Agricultural Outlook 2017-2026 report and CRISIL Research projects steady growth in seafood consumption in China. Further, CRISIL Research notes that Japan is also highly dependent on imports of fishery products.

Expand our shrimp feed operations

CRISIL Research expects the Indian aqua feed industry to grow at a CAGR of 17-19% by fiscal year 2020. In 2017, within two years of commencement of our shrimp feed business we were able to gain significant market share and increase our shrimp feed sales from 25,571 MT (for the year ended March 31, 2017) to 43,926MT (for the nine months December 31, 2017). We currently have one feed mill located at Peddapuram, in the East Godavari district of Andhra Pradesh, with a shrimp feed production capacity of 80,000 MT per annum. Another feed mill with a production capacity of 45,000 MT located at the Prakasam District of Andhra Pradesh is presently under construction and is expected to be operational by March 2018. We currently sell our shrimp feed predominantly to farmers in Andhra Pradesh. We intend to expand our distribution network in states such as Gujarat, Odisha and Tamil Nadu where we currently sell shrimp feed in small quantities, in order to meet the increasing demand in these states.

Diversify our product base with the addition of newer value-added shrimp products

We believe that offering newer, value-added products will assist us in diversifying our business with existing customers as well as attracting new customers. We have identified products such as skewered, stretched and marinated shrimp that command a premium in the market, as products that we intend to focus upon. We currently produce these products in limited volumes, but aim to increase our production of such products, as we expand our capacity by building our new processing plants.

We also work closely with some of our major customers to analyse market trends and feedback from their end-customers, which helps us in developing new products that we can add to our portfolio.

Selectively acquire new customers

We aim to selectively acquire new customers, primarily restaurant chains and retail chains. Our sales and marketing team in the United States comprises a team of experienced employees and pursues new business development opportunities through active engagement with target customers. We also benefit from referrals from our existing customers. As a result of our established reputation and our success in our "program" business model, we believe we are well suited to acquire new customers in the same industry sectors as our current major customers. Further, we believe our proposed processed shrimp production capacity expansion will also allow us to cater to demand from new customers.

Our Operational Overview

We organize our business into the following segments:

- Processing and export of frozen farmed shrimp (the "**Shrimp Division**");and
- Manufacture and sale of shrimp feed in India (the "**Feed Division**").

We have been in the shrimp processing business since 1992 and added the Feed Division to our business in March 2016.

Our Shrimp Division also includes the operations of our Subsidiary, which was incorporated in the United States in March 2005 and procures bulk supply orders from customers in the United States.

To complement our shrimp processing activity, we also carry out certain auxiliary activities:

- Shrimp farming; and
- Shrimp hatchery operations for the production of shrimp seed.

All of our shrimp processing and production and shrimp feed facilities are located in Andhra Pradesh.

Set forth below are some key performance indicators of our business:

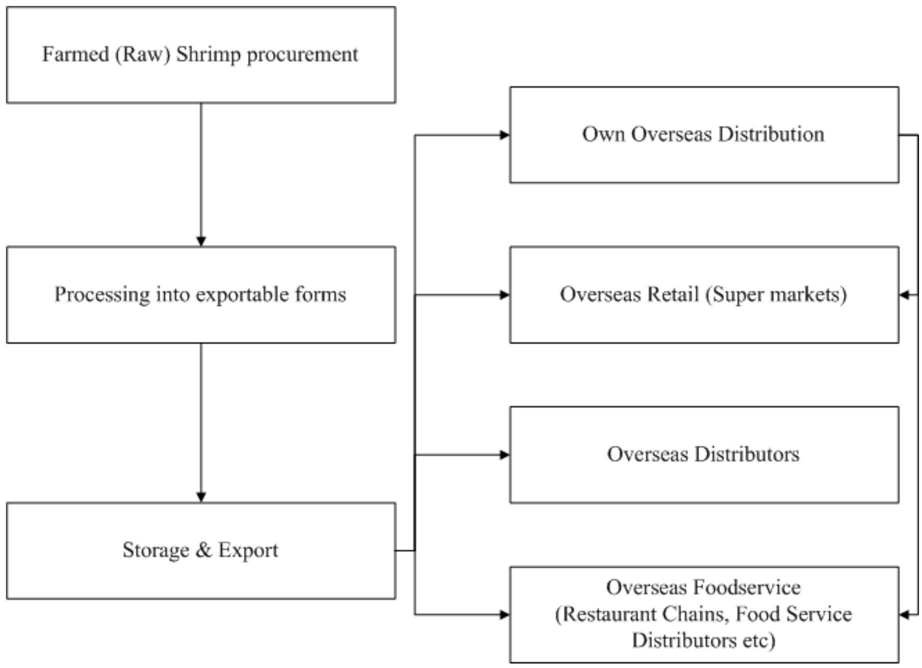
	For the nine months ended	**For the year ended March 31,**		
	2017	**2017**	**2016**	**2015**
	(Rs. in millions, except percentages)			
Shrimp sales	10,971.98	13,659.514	9,147.02	8,654.16
Feed sales	2,768.13	1,607.54	0.83	0
Revenue from program business (as % of total shrimp sales)	62.46%	73.06%	76.60%	69.07%
Revenue from value added products (as % of total shrimp sales)	66.70%	72.95%	77.25%	71.20%
Profit before tax	2,177.27	1,634.47	1,243.77	1,249.41

Our Shrimp Division

Overview

As part of the operations of our Shrimp Division, we procure head-on raw shrimp from various shrimp farms located across the east and west coasts of India in the states of Andhra Pradesh, Odisha, West Bengal, Tamil Nadu and Gujarat, and process them at our processing plants located in Andhra Pradesh. We process these raw shrimp in "Ready to Eat" and "Ready to Cook" and other value-added forms to export them to global markets, predominantly the United States. For the nine months ended December 31, 2017 and financial years 2017, 2016 and 2015, revenue from the United States amounted to 89.77%, 93.16%, 89.77% and 85.26% of our revenue from operations (excluding other operating revenue), respectively. We supply to and service food service distributors, restaurant chains, retailers and distributors and warehouse chains in the United States.

The following chart provides an overview of the operations involved in shrimp processing and export:



Upon harvest, we procure raw shrimp from various shrimp farmers, including from our own shrimp farms, and transport them under controlled temperature and hygienic conditions to preserve their quality to our processing facilities. We transport raw shrimp using our insulated trucks to our processing plants.

At our processing plants, the raw shrimp undergo various stages of processing such as de-heading, size sorting, peeling, cooking, marinating and freezing, depending on our customers' requirements and specifications. Both our processing plants are approved by the Food Safety and Standard Authority of India, the Marine Products Export Development Authority and the Export Inspection Council of India. We also implement the HACCP system of preventive food safety mandated by the FDA at our processing plants.

At the final stage of processing, shrimp are frozen either individually (Individual Quick Frozen or "**IQF**") or in block form. We then pack the shrimp into poly bags or paper cartons of different sizes specified by our customers. The finished products are kept in cold storage at minus 20 degree Celsius and are shipped in a refrigerated container on a sea vessel to our customers located in other countries, only after clearance from our customers' quality assurance department. The sea transit takes approximately 35 to 40 days from the date of shipment at an Indian port to reach the United States.

For the year ended March 31, 2017 and for the nine months ended December 31, 2017, 75.19% and 71.24% consolidated sales were done through our Subsidiary and the remaining sales were made directly from India to our global customers.

In the United States, our Subsidiary procures bulk supply orders from our customers in the form of contracts typically for a one year period, and in the case of one customer, three years. After securing the sales contracts, our Subsidiary then sources value-added shrimp products from our operations in India and frozen shrimp from other producers based primarily in India, China and Indonesia (at prevailing market rates) which have to be delivered at pre-fixed delivery schedules spread over a year. Our Subsidiary maintains shrimp inventory imported from Asian countries in cold storages located in four locations across the United States in New Jersey, Illinois, Florida and California and distribute them to customers according to their orders.

Shrimp species farmed and processed

The following table shows the general shrimp species that we procure:

Commercial Name	**Scientific Name**
White shrimp or White Leg Shrimp Or Pacific White shrimp or Vannamei shrimp	L.Vannamei
Black Tiger Shrimp	P.Monodon

For the nine months ended December 31, 2017, white shrimp accounted for more than 97% of our total processed quantity of shrimp.

Our shrimp processing facilities

We have two shrimp processing facilities (Devi-1 and Devi-2) located in the state of Andhra Pradesh. Both facilities are located in shrimp landing regions and are at a distance of approximately 300 kilometres from each other.

Both facilities are connected to national highways for transportation of finished products to shipment ports. Since our facilities are strategically located in close proximity to shrimp farms in Andhra Pradesh, we are able to transport the raw shrimp procured from Andhra Pradesh to the facilities in fresh condition without deterioration of quality. Skilled and unskilled work force is available in the villages surrounding the facilities.

The following table shows the key operational metrics of our processing facilities as of December 31, 2017:

Processing Facility	Devi-1	Devi-2
Location	Singarayakonda	Tanuku
Freezing Capacity	48 MT / day	45 MT / day
Storage Capacity	1,814 Tons	2,290 Tons
Cooking Line	5 Tons / day	9 Tons / day
Effluent Treatment Plants	300,000 Ltrs / day	150,000 Ltrs / day

The following table shows the capacity utilization at our facilities for the periods indicated:

Period	Devi-1	Devi-2
Nine months ended December 31, 2017	94%	91%
Year ended March 31, 2017	82%	61%
Year ended March 31, 2016	59%	70%
Year ended March 31, 2015	53%	55%

In the year ended March 31, 2015, we invested in new machinery for our processing operations, with a view to increasing our production going forward. Accordingly, our capacity utilization gradually improved over the years after the year ended March 31, 2015.

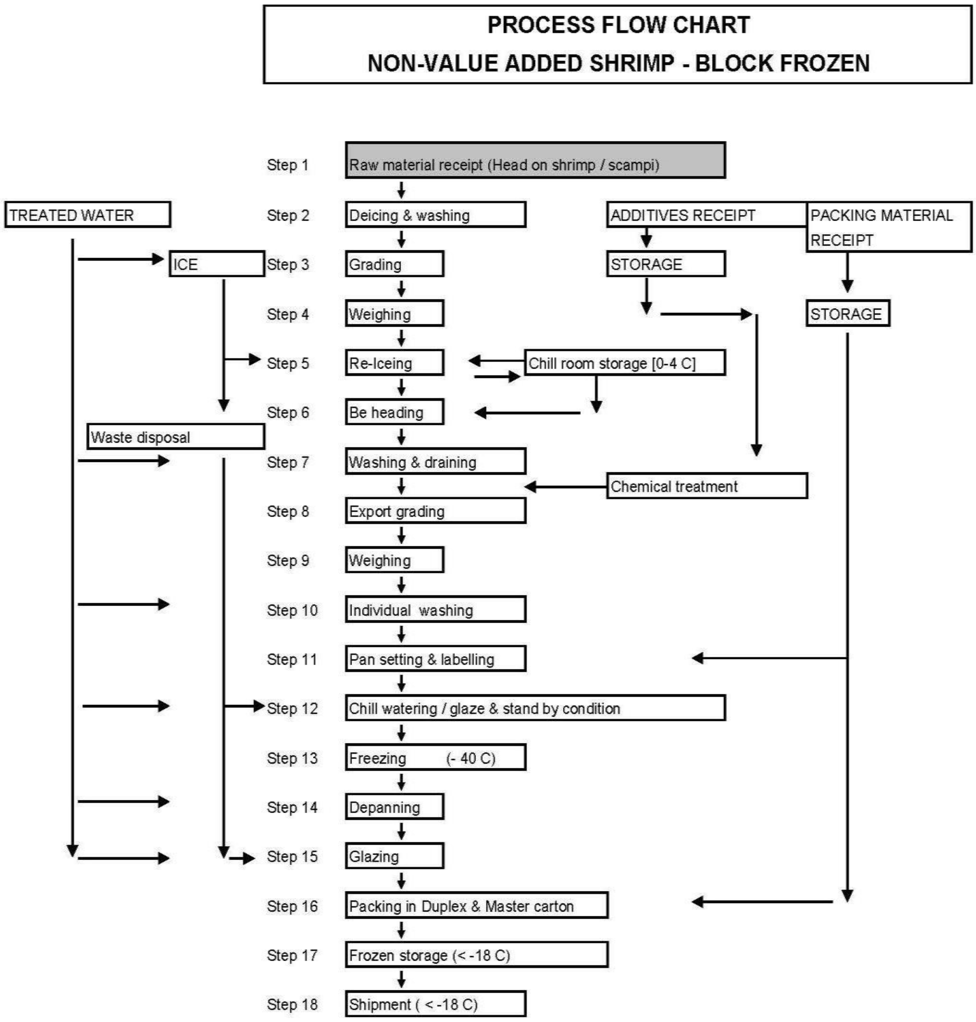
White shrimp is the basic raw material used in our production process. After reaching our production facilities, the raw shrimp undergoes various stages of production. We clean the raw shrimp with water first and de-head them if they arrive in head-on form. We also perform de-veining if the products are meant to be sold in forms other than head-less shell-on and peeled and un-deveined ("**PUD**"). We then sort the de-headed shrimp into different commercial count sizes with the help of mechanical sorting machines. For non-value added products, we freeze the shrimp in accordance with our customers' specifications as to unit weight and packing style.

For value-added products, the sorted shrimp undergo peeling and cutting, and in some cases, we carry out other processes such as marination and skewering. After this stage, we treat the shrimp in a special phosphate solution unless our customers specify otherwise, and we then place the shrimp in the block or IQF Freezers. For cooked products, we cook the phosphate treated shrimp prior to freezing in the IQF freezer. We pack the frozen output into standard weights specified by our customers.

Our customers are conscious of quality and run stringent quality assurance programs. The entire production is subject to pre-shipment inspection by them for various organoleptic and microbiological parameters, pursuant to a pre-defined protocol. The shipments takes place only after the respective customer's quality assurance department has given the necessary clearance.

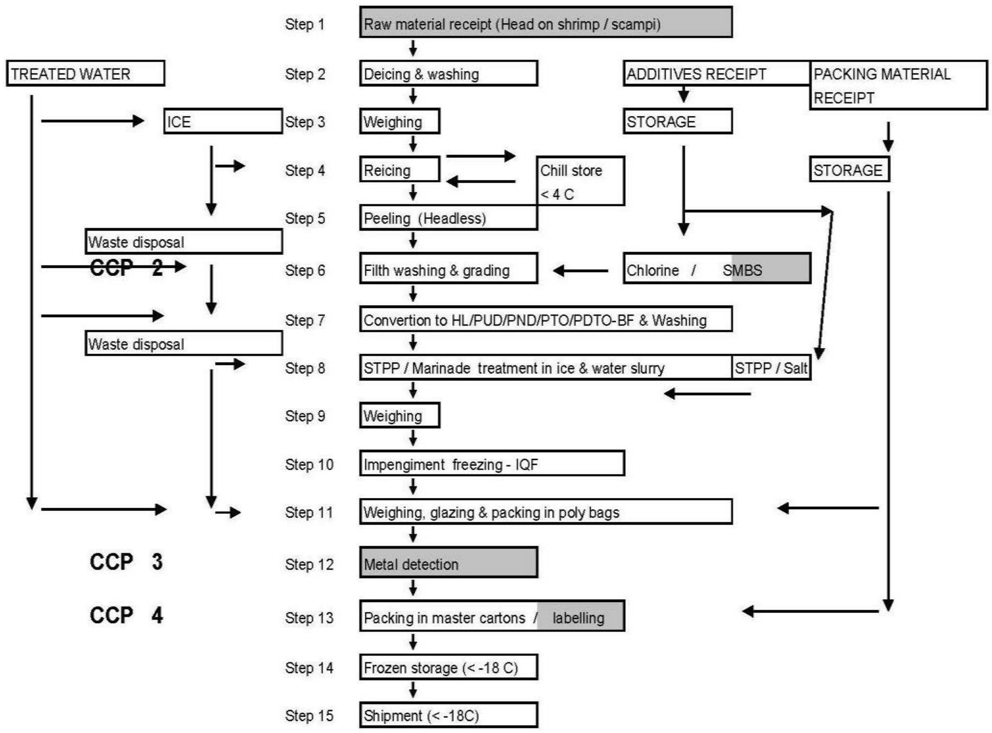
We focus on ensuring that our processing facilities operate in compliance with various environmental and safety laws. For example, we have installed effluent treatment plants with the necessary capacity at both plants to ensure that there is no environmental impact from the discharge of water and other pollutants.

The following flow charts show how we produce processed products in our facilities:



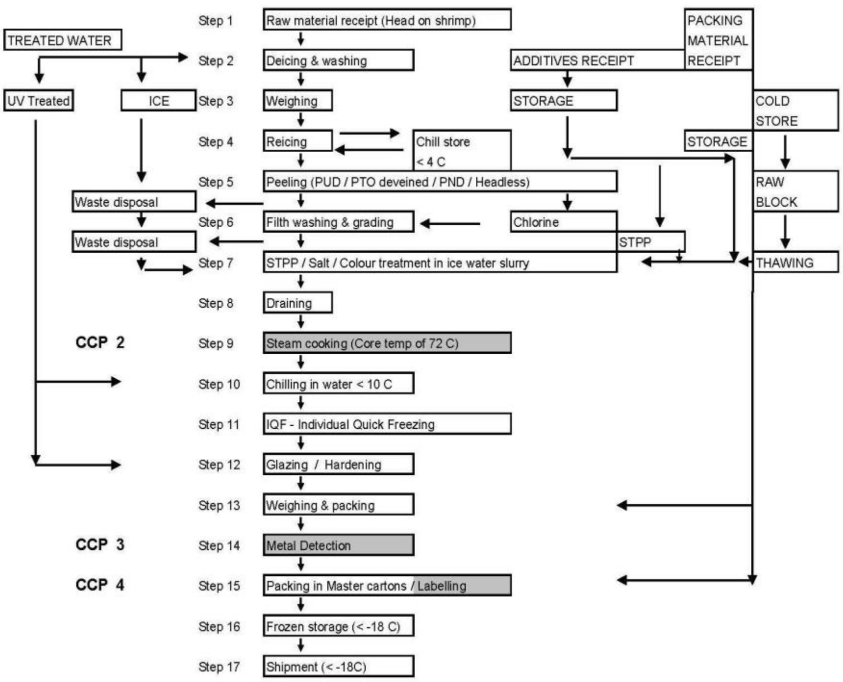
PROCESS FLOW CHART

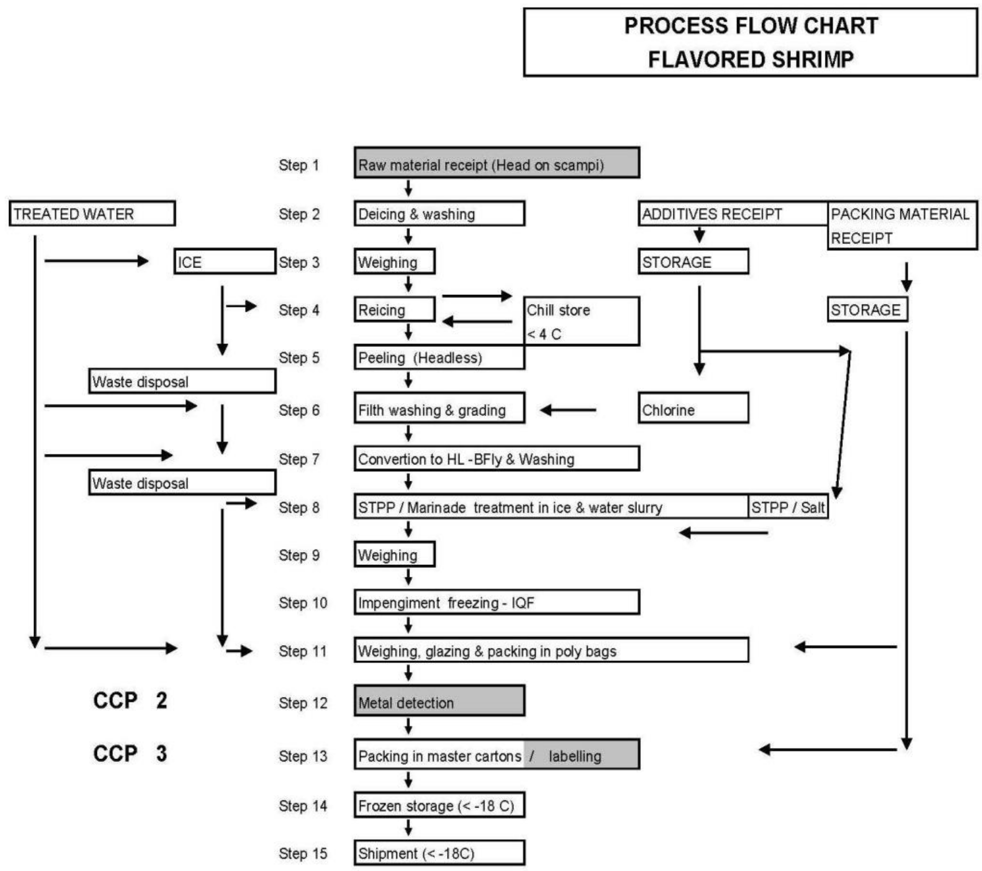
VALUE ADDED SHRIMP - IQF FROZEN



PROCESS FLOW CHART

COOKED SHRIMP





Our shrimp product portfolio and focus on value-added production

We process a wide range of frozen shrimp products. For the nine months ended December 31, 2017 and years ended March 31, 2017, 2016 and 2015, the total volume of shrimp products we processed (in tons) was 15,380 MT, 17,915 MT, 12,687 MT and 9,868 MT, respectively. As of December 31, 2017, March 31, 2017, 2016 and 2015, the average selling price per lb of our shrimp products was US$5.01, US$5.17, US$5.00 and US$6.48 respectively.

Our products are customized according to specific requirements of our customers, and we process the following value-added and non-value added products in our facilities:

Value-added products

- Ready to eat shrimp (cooked);
- Ready to cook shrimp (peeled);
- Shrimp marinated in different flavors (marinated);
- Shrimp in a particular presentation form (butterfly shrimp);
- Shrimp skewers (skewered); and
- Ready for breading shrimp (breaded).

Peeled Deveined Tail-on Shrimp

Peeled Deveined Tail-off

Cooked Peeled Deveined Tail-on

Cooked Peeled Deveined Tail-off

Cooked & Peeled

Stretched Shrimp

Peeled Butterfly Shrimp

Marinated Shrimp

Peeled Skewered Shrimp

Non-value added products

Head-On (HOSO) Shrimp

Head-Less Shell-on (HLSO) Shrimp

Our processed shrimp customers and "program" business

We service food service customers such as restaurant chains and food service distributors with bulk requirement for value-added products throughout the year. Large sized food service companies such as restaurant chains and organized retailers require high volumes of particular products specially produced for their specifications and delivered uninterruptedly throughout the year.

To meet this requirement, they generally choose a vendor who has capabilities in product procurement, supply and also inventory management and distribution. The vendor is involved in the whole process from the stage of devising annual procurement planning to servicing the customer up to the end user level. The vendor is assigned an annual supply program with defined quantities, delivery schedules and pricing, and the vendor in turn enters into back-to-back arrangements with suppliers. The customer, vendor and supplier need to work in concert pursuant to a supply program. Due to our twin strengths in both production and distribution, we carry out the "program" business effectively with our major customers.

The "program" business model is beneficial for both our customers and us. It provides us with order visibility before the beginning of the year, opportunities for value-added production and higher price realizations, ease in production scheduling, the ability to grow our business with leading companies and the potential for referrals. Further, the model is beneficial to our customers as well since it provides an assured product supply, better purchase terms, allows product customizations, does not require them to be involved in inventory management and provides opportunity of joint marketing initiatives.

The table below sets forth certain key information relating to our major customers with whom we have a "program" business:

Customer	Location	Years of program relationship	Revenue contribution for the year ended March 31, 2017 and the nine months ended December 31, 2017
Casual dining restaurant chain	United States	18	8.5%; 6.5%
Leading food service distributor	United States	11	45.2%; 42.5%
Full service restaurant chain	United States	4	5.9%; 5.2%
Wholesaler warehousing chain	United States	2	5.9%; 6.0%
Seafood restaurant chain	United States	3	20.7%; 19.5%

Quality assurance and regulatory compliance

Quality control and quality assurance form an integral part of our processing operations. We have a quality assurance program in place that covers all stages of the production chain such as shrimp harvesting, post-harvest handling, transportation to processing facilities, primary processing, peeling and cutting, value-added processing operations, freezing, storage, shipment and delivery to the customer. Our processing facilities have technologists approved by the Export Agency of India at our in-house analytical laboratory to perform microbiological and chemical testing of shrimp during processing and post-production stages. We ensure safety of our products and hygiene of our processing facilities by implementing HACCP Program mandated by the FDA, in addition to the norms prescribed by Indian regulations.

Because of our recording and labelling systems, we are able to track the shrimp products we ship to our customers and are able to trace the stages of production from the source of the raw shrimp to the final packaged product. Our processing facilities are also required to comply with requirements of regulatory agencies in India as well as countries that we ship our products to. Both our processing plants are approved by the Food and Standard Authority of India, the Marine Products Export Development Authority ("**MPEDA**") and the Export Inspection Council of India. Both our facilities also have approvals from regulatory bodies of importing countries such as the FDA and European veterinary authority. See "*Regulations and Policies*" and "*Government and Other Approvals*" on page 139 and page 319, respectively.

<u>Infrastructure</u>

Regular supply of water and electricity is essential for the proper functioning of our processing plants, shrimp farms and hatchery. We currently source our water requirements from state and municipal corporations and local body water supply, canals, bore wells and water tankers and depend on state electricity boards for our energy requirements.

Compliance with contemporary standards of food processing and allied accreditations

Apart from regulatory approvals, there are globally recognised food safety certification programs, which certify a facility's food safety, quality and management systems, including the BAP and the BRC certification. Our Devi-1 facility meets BAP and BRC standards, and our Devi-2 facility meets BAP, BRC and IFS standards. Our feed mill, shrimp farms and hatchery are also BAP certified. Because all our production stages are BAP certified, we are a BAP four-star rated supplier.

Our shrimp farm located at Beeramgunta, Prakasam District has been certified by the Aquaculture Stewardship Council for compliance with its shrimp farming standard.

Our shrimp farming activity

We own approximately 146 acres of land which comprises our shrimp farm located in Beerumgunta, Prakasam District, Andhra Pradesh. We have also leased approximately 130 acres of farm land located in Pedapudi, East Godavari District, Andhra Pradesh, from various owners including third party owners and the promoter/ promoter group, all expiring in 2020-21.

Our shrimp farm at Beerumgunta obtained the requisite approvals from the Coastal Aquaculture Authority ("**CAA**"). The farm land located at Pedapudi is certified by the Department of Fisheries, Andhra Pradesh, though the certification is in the name of the owners of the land. Both our shrimp farms are also BAP certified.

Shrimp output from our own farms contributes only a small portion of our annual raw shrimp requirement. We meet the shrimp seed and feed requirements of our farms from our own hatchery and feed production units.

Both farms are designed and constructed with proper facilities for water intake, exchange, bio-security, continuous power supply, supply of oxygen through mechanical aerators, formulated feed provision, check on all important parameters such as water quality, alkalinity, turbidity, bacterial incidence, algal growth, estimation and monitoring of growth in biomass. We focus on ensuring that both farms adhere to environmental standards and employ sustainable aquaculture practices, and operate under all applicable regulations and approvals. See "*Regulations and Policies*" and "*Government and Other Approvals*" on page 139 and page 319 respectively.

Our shrimp hatchery

To supplement our shrimp farming activity and to support our shrimp farmers with quality shrimp seed, we own and operate a shrimp hatchery, which is located at Rajupalem Village, Prakasam District, Andhra Pradesh. Genetically improved pacific white shrimp imported from the United States forms our broodstock.

Shrimp seed plays an important role in the success of shrimp culture. The success of farming is largely dependent on the quality of seed stocked in the pond and the feed provided to the shrimp during the culture. Therefore, farmers always look for a dependable source of supply for these inputs. Our shrimp hatchery fulfils this need by adhering to applicable quality and bio-security standards across all stages of hatchery operations. Further, our hatchery is approved by the CAA and certified as per BAP standards.

Our raw shrimp supplier base and procurement network

Raw shrimp is the primary raw material for the processed shrimp industry. Head-on white shrimp is the major raw material for our shrimp processing. Over a period of 25 years, we believe we have built up trust with the farming community and are known in the farming community. We offer farmers a host of benefits such as supplying quality farm inputs, transparent pricing, open and transparent purchase system and timely payment settlement. We procure shrimp from both retail farmers and corporate farms located primarily in the state of Andhra Pradesh, and also from farms located in the states of Tamil Nadu, West Bengal, Odisha and Gujarat. In addition, we believe our presence in both shrimp seed and feed supply to farmers further strengthens our relationship with the farmers. We believe this has helped us to fully secure raw shrimp supply for our "program" business. Our "program" business gives us visibility of our order book for each year and helps us to predict our annual raw shrimp requirement. We endeavour to procure most of it during peak season harvest periods.

The following are the salient features of our raw shrimp procurement network:

- Coverage all through the east and west coasts of India;
- Mix of retail farmers and corporate farms;
- Supply of quality seed and feed to farmers;
- Post-harvest handling infrastructure comprising:
  - Insulated carriers to transport the produce
  - Ice making plants
- True and fair weighments and determination of count sizes and quality grades; and

- Timely financial settlement for farmers.

Marketing and distribution channels

We market our shrimp products through two channels:

- Direct sales to global customers from India; and

- Sales through our Subsidiary to customers in the United States.

The table below sets forth the contribution of direct sales and sales made through our Subsidiary to our overall shrimp sales for the periods indicated:

	For the nine months ended December 31,	**For the year ended March 31,**		
	2017	**2017**	**2016**	**2015**
Percentage of shrimp sales volume contributed by our Subsidiary	74.72%	81.00%	82.09%	73.93%
Percentage of shrimp sales from direct sales to global customers	25.28%	19.00%	17.91%	26.07%
Total shrimp sales in percentage terms	100.00%	100.00%	100.00%	100.00%

Since 2004, we have produced and supplied value-added shrimp products under the "private labels" of retail supermarket operators and food services players in the United States. In order to avoid multiple levels in the supply chain, we decided to set up our own distribution in the United States under our Subsidiary. The establishment of our Subsidiary allowed us to be in close proximity to our major customers, and allowed us to reach out to them to be their shrimp vendor and meet their shrimp requirements.

Direct presence in the United State through our Subsidiary has helped us to develop strong business relationships with leading food service distributors, restaurant chains and distributors, and warehouse chains in the United States.

Awards and recognitions

Our largest customer,a leading food service distributor in the United States, has awarded our Subsidiary the "Supplier of the Year" in the Seafood category in 2014 and the "Gold Supplier Award" in 2012, 2013, 2014, 2015 and 2016. Further, we have received awards from MPEDA, including the following:

2015 – 2016

- Second best export performance in overall exports-value;
- Second best export performance in frozen shrimp.

2016 – 2017

- Second best export performance in overall exports-value;
- Second best export performance in frozen shrimp.

Our Shrimp Feed Business

Overview

We believe that we enjoy a good reputation among the shrimp farming community by virtue of our long-standing relationship with shrimp farmers. To leverage our relationship with farmers and to capture the potential for shrimp feed products due to increased production of white shrimp, we ventured into the shrimp feed business in March 2016 by setting up a production facility at Peddapuram, East Godavari District, Andhra Pradesh with a capacity of 40,000 MT per annum. We expanded the capacity to 80,000 MT in year ended March 31, 2017 and plan to expand our total capacity further to 125,000 MT by the end of year ended March 31, 2018 by building a second feed mill located at the Prakasam District of Andhra Pradesh.

Shrimp feed constitutes up to 70% of the cost of production of the shrimp culture and directly contributes to the growth of the shrimp during the farming stage *(Source: CRISIL Research)*. In view of its importance for the success of aquaculture operations, farmers tend to be very selective in choosing the feed brand to avoid the risk of shrimp under growth affecting viability of the farming operations and prefer products of proven performance and count on the reliability and integrity of the feed suppliers to maintain a consistent quality and a consistent supply.

We introduced our feed product under the "*Devee*" brand and we believe it was well received and accepted by shrimp farmers. We sell to shrimp farmers primarily in the states of Andhra Pradesh, Tamil Nadu, Gujarat and Odisha. To meet the rising demand from farmers, we expanded our feed production capacity during the year ended March 31, 2017, and are currently in the process of further expanding our feed production capacity:

	1st Mill	**Expansion of 1st Mill**	**2nd Mill (In progress)**
Location	Peddapuram, East Godavari District	Peddapuram, East Godavari District	Ongole, Prakasham District
Construction completion	Mar 2016	Mar 2017	March 2018
Production capacity	40,000 MTPA	40,000 MTPA	45,000 MTPA
Production lines	2 each of 4 MT/Hr (pelletizing capacity)	2 each of 4 MT/Hr (pelletizing capacity)	2 each of 4 MT/Hr (pelletizing capacity)
No. of working days	300 P/A	300 P/A	-

The following table sets out the total production capacity, actual production figures and utilization of our feed mill as for the periods indicated:

	For the nine months ended December 31, 2017	**For financial year**	
		2017	**2016**
Total production capacity (in MTPA)	80,000	40,000(1)	-
Actual production (in MT)	44,446	25,668	-
Utilization (%)	74.08%(1)	64.17%(2)	-

Note:
(1) Annualized
(2) Additional production capacity of 40,000 MT which became operational in last week of March 2017 not considered

Our proposed feed mill is proposed to be set up at Prakasam district, Andhra Pradesh. We have received the consent to establish from the state pollution control board. Orders for plant and machinery required for the new feed mill are proposed to be placed on completion of construction of the feed mill.

Key processing stages and equipment involved

Shrimp feed process

Shrimp feed production involves grinding of raw materials, mixing, steam conditioning, pelletization, grading and packing.

Grinding of raw materials

Grinding of dry solid raw materials to a specific particle size is essential. We pass raw materials such as soya meal through a hammer mill fixed with a 2 mm sieve for size reduction. In the second stage, we introduce other raw materials like fishmeal and wheat flour, and they are passed through a mixer before being powdered in a pulveriser. The material is finally passed through a sieve which allows a particle of not more than 300 microns to pass through. Larger particles which cannot pass through are recycled.

Mixing

We mix the powdered ingredients in accordance with the desired feed formulation and homogenize them in a horizontal ribbon mixer. We then add the required quantity of vitamin premix and mineral premix and blend them for 20 to 30 minutes. Liquid ingredients such as fish oil, lecithin and water (if required) are subsequently added at this stage to obtain a homogenous feed mix. We also add binder to achieve a uniform distribution.

Steam conditioning

The homogenized feed mixture is steam conditioned by passing through steam chambers in three stages for gaining moisture, binder-raw material interaction, gelatinization of starch and sterilization of feed. Steaming of feed also facilitates lubrication of feed material to pass through the pelleting die.

Pelletization

Shrimp feeds are produced in pellet form. Ring-die pellet mill is used for production of shrimp feed pellets, which has three steam conditioning chambers attached to it. After passing through the steam conditioning chambers, the feed mixture enters the pelleting chamber. The feed mixture with adequate level of moisture is compacted into pellets as it passes though the die before being cut with an attached knife assembly.

Drying and cooling

Shrimp feed pellets coming out of the ring-die pellet mill will typically have a moisture level of 12% to 14% depending on the initial moisture level. It is necessary to reduce moisture to below 10% for a good shelf life. Otherwise, mould growth may develop leading to feed spoilage. We dry the feed for a short period by passing it through a hopper type drier.

Crumbling

This stage is optional for pellet feed. When starter feed is manufactured, the feed coming out of the cooling process is passed through a dual stage crumbler to enhance the size homogeneity of the crumbled feeds and reduce the fines to increase yield rate.

Packing

Shrimp feed is packed in laminated high-density polyethylene bags of 25 kg each. The feedbags are packed properly so that the feed does not absorb moisture easily. Shrimp feed is filled into bags with automatic weighing machines and then sealed. During this process, the production batch code is automatically printed on the filled bag.

Our shrimp feed products

We offer shrimp feed products for use in the farming of:

- White shrimp; and
- Black tiger shrimp.

As of December 31, 2017, March 31, 2017 and March 31, 2016, the average selling price per ton of our shrimp feed was Rs. 62,911, Rs, 62,866 and Rs. 65,320, respectively. Under the brand name "*Devee*", our products are manufactured in both crumble and pellet forms. Crumbles are generally used to feed the shrimp in the initial stage of the culture while pellets are normally used in the growing stage.

Feed formulation

Feed formulation implies an appropriate mix of various ingredients such as nutrients, vitamins, minerals and binder that gives higher digestibility to shrimp thereby yielding a higher feed conversion ratio. To arrive at the proper formulation for optimal shrimp growth, we carried out research into various combinations of ingredients by conducting experiments in our own shrimp farms. Our knowledge in shrimp farming helped us come up with a feed formulation that is well suited to culture of white shrimp in local conditions. We sold 25,571 MT of shrimp feed (including internal consumption) for the year ended March 31, 2017 and 43,926 MT of shrimp feed (including internal consumption) for the nine months ended December 31, 2017.

Our shrimp feed marketing and distribution network

We offer our feed products to shrimp farmers across coastal India through our network of dealers located in different shrimp farming areas. To exercise better control over the market, we divide our feed market into the main regions of Andhra Pradesh, Tamil Nadu, Gujarat, and Odisha. These regions are then further divided into districts. We mainly supply our shrimp feed products to farms in Andhra Pradesh.

For regions where the shrimp production potential is more than 100,000 MT, we have appointed a regional manager in charge of that particular region. For regions where the shrimp production potential is less than 100,000 MT but more than 50,000 MT, a business development manager is assigned to oversee the marketing function. An area manager heads regions with less than 50,000 MT shrimp production potential. Depending on the market size in each region, we post an appropriate number of marketing officers to develop the market for company's feed products.

Our network of dealers has increased steadily since we began our shrimp feed business. As of December 31, 2017, March 31, 2017 and March 31, 2016, we had 55, 28 and 17 dealers, respectively, who deal in our shrimp feed products across the regions. Additionally, as of December 31, 2017, a team of approximately 75 marketing personnel and technicians interact with farmers on a regular basis to provide them with necessary technical assistance in their farming operations.

Accreditations

Our shrimp feed plant meets BAP standards and is approved by the Export Inspection Agency.

Human Resources

As of December 31, 2017, we had a total workforce of 1,401 employees. Our manpower is a mix of skilled and unskilled workers, with a range of experience in the field of aquaculture. The following table gives a breakdown of our employees by function as of December 31, 2017:

Function	Number of employees
Production and purchase	1,101
Electrical and maintenance	132
Quality and Lab	19
Administration and Accounts	71
Sales and marketing	78
Total	**1,401**

Competition

We operate in a highly competitive market, where we face competition from various domestic and international players for both of our processed shrimp business and shrimp feed business products. We believe our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

Our global outreach means that there are several manufacturers of varying sizes across the world whom we compete with directly in relation to our processed shrimp business products. Our key competitors in this area for the importation of shrimp into the United States include Aqua Star, Chicken of the Sea, Mseafood Corporation, Beaver Street Fisheries, Eastern Fish Co., Ore-Cal Corp., Order, Mazzetta, Apex Frozen Foods Ltd. and Pacific Coral Sea Food Co.

There are several producers of shrimp feed located in India whom we compete with directly in relation to our shrimp feed business. Our key competitors in this area are domestic companies such as Avanti Feeds Limited, CP India Aquaculture, Water Base, Growel Feeds and Godrej Agrovet.

Intellectual Property Rights

The trademarks "Devi Seafoods" and "Devee" are registered in India in the name of our Company. For details, please see "*Government and Other Approvals*".

Property

Our registered office in India and our office in the United States are not owned by us, but are on lease from P. Suryavathi, our Promoter and third parties, respectively. See "*Risk Factors – Internal Risk Factors – Some of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.*" on page 27.

Our processing plants, Devi-1 and Devi-2, are located on 17.64 acres of land owned by our Company and our shrimp farms are located on approximately 146 acres of land, owned by our Company. We have also leased approximately 130 acres of farm land located in Pedapudi, East Godavari District, Andhra Pradesh, from various owners including third party owners and our Promoters/ Promoter Group. Our hatchery is located on the land owned by the Company , while other facilities, such as our feed mill and godown are all located on leased land. Our proposed feed mill and shrimp processing facility will be constructed on land owned by our Company in Singarayanakonda, Andhra Pradesh.

Insurance

We maintain insurance policies with independent insurers in respect of our building, plant, machinery, vehicles, accessories, furniture, fittings, raw materials, finished goods, work in progress goods, packing material, consumables, stores and stocks covering losses due to causes such as fire, earthquake and terrorism. We also maintain workmen's compensation insurance, key management insurance, staff health insurance group health (floater) insurance and group personal accident insurance in respect of our employees and construction insurance in respect of our proposed feed mill at Singarayakonda.

Our Subsidiary maintains commercial general liability insurance, automobile insurance worker's compensation and marine insurance.

Corporate Social Responsibility ("CSR")

We believe that corporate social responsibility is an integral part of our operations. Our CSR initiatives are aligned with the regulatory requirements and strive to contribute to our community by committing our resources and energies to social development.

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant policies, laws and regulations applicable to our Company and our Subsidiary. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain consents, licenses, permissions, registrations, certifications and approvals and to seek statutory permissions to conduct our business and operations.

Key policies and regulations applicable to our Company

Fisheries Policy 2015-2020- Government of Andhra Pradesh, Fisheries Department ("Fisheries Policy")

The Government of Andhra Pradesh has identified the fisheries sector as one of the growth engines for socio-economic development of the new State of Andhra Pradesh. The Fisheries Policy dated October 31, 2015 outlines the developmental objectives, management measures and strategies to be implemented for the identified five year period from 2015-2020 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, and put in place appropriate mechanisms to ensure that fisheries and aquaculture are sustainable with ecological integrity and biodiversity. Further, the policy promotes innovation and seeks to ensure technology upgradation and also safeguard the rights of small fishermen, encourage increased participation of women and implement schemes for welfare of fishermen with defined outcomes. The following are the objectives as contemplated under the Fisheries Policy:

- Increased production and productivity by 20- 30 % increasing the gross state domestic product contribution of fisheries sector;
- Prevention of post-harvest losses to a tune of 10-20%;
- Better infrastructure and logistics facilities in the sector ensuing the availability of fish products in all the days;
- Increased marine exports and domestic trade resulting in an increase in foreign exchange earnings (the target is to double the value of marine exports over the five year period) and better infrastructure facilities in the sector;
- Enhanced capacity building to manage the resources sustainably and rationally will lead to enhanced capacity building to 0.43 million fishers and fish farmers;
- Better nutritional support through good protein and micronutrients intake to reduce malnutritrition by 20% among poorer sections;
- Gainful employment in fisheries and allied ancillary industries, including additional employment opportunities to 0.14 million fishers directly and 0.28 million fishers indirectly;
- Diesel subsidy to benefit many families;
- Promote research in frontier areas of aquaculture;
- Better fish farmers welfare;
- Empowerment of women fishers;
- Promote sustainable fishery in Andhra Pradesh; and
- Enhance skill of personnel/aqua farmers.

Under the Fisheries Policy, certain fiscal benefits have been approved in relation (a) processing units (b) aquaculture pond/ farm (c) feed manufacturing units/fishery related equipment manufacturing (d) aqua labs/disease diagnostic labs promotion, including the following:

- In relation to shrimp processing units, including cold chain maintenance, capital subsidy of 50% inclusive of land cost with an upper ceiling limit of ₹50 million;
- Interest subvention of 6% on bank loan subject to a maximum of ₹25 million for a five year period to aqua processing units, ice plants and cold storages;
- Incentives to feed manufacturing units, aerator manufacturing, fish processing equipment on par with the industrial policy; and

- Interest subvention of 6% per annum up to a maximum of ₹20 million to fish feed manufacturing units for five years.

The Fisheries Policy also contemplates a special fund of ₹50 million to be created for research and development in aquaculture.

The Marine Products Export Development Authority Act, 1972 ("MPEDA Act")

The Marine Products Export Development Authority was established under the MPEDA Act with the stated objective of development of the marine products industry under the control of the central government.

The MPEDA Act requires every owner of every fishing vessel, processing plant or storage premises of marine products or conveyance for the transport of marine products to obtain registration under the MPEDA Act. The term 'marine products' has been defined 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. The registration under the MPEDA Act is valid until cancelled and requires every person registered under the MPEDA to submit returns in the prescribed form. The MPEDA Act provides for penalties both in terms of fine and imprisonment for violation of its requirements.

Coastal Aquaculture Authority Act, 2005 ("CAA Act")

The Coastal Aquaculture Authority ("**CAA**") was established under the CAA Act, in order to regulate activities connected with coastal aquaculture (defined as culturing, under controlled conditions in ponds, pens, enclosures or otherwise, in coastal areas, of shrimp, prawn, fish or any other aquatic life in saline or brackish water, but excluding fresh water aquaculture) in the coastal areas.

Under the CAA Act no person is permitted to carry on, or cause to be carried on, coastal aquaculture in a coastal area or traditional coastal aquaculture in a traditional coastal aquaculture farm which lies within the Coastal Regulation Zone (as explained subsequently) unless the farm is registered with the CAA. A violation of this requirement attracts punishment including imprisonment for a term which may extend to three years or with fine which may extend to ₹0.1 million, or with both.

The CAA Act, the rules and guidelines promulgated under the CAA Act, specify detailed practices and conditions in relation to site selection, construction and preparation of shrimp farms, water quality management, seed production, seed selection and stocking, feed and feed management, health management of shrimps, use of chemicals and drugs, harvest and post-harvest protocols, wastewater management, farm hygiene, environment impact assessment, environment monitoring and management plans, cluster management, record maintenance and networking, integrated coastal zone management and protection of the livelihood of the coastal communities. Under the CAA Act, there are specific guidelines for 'Regulating Hatcheries and Farms for introduction of *Litopanaeus vannamei'* and for 'Seed Production and Culture of Specific Pathogen Free *Panaeus monodon*'. The guidelines specifically require the hatcheries and feed companies to be registered with the MPEDA.

Coastal Regulation Zone Notification, dated January 6, 2011 ("CRZ Notification")

Coastal Regulation Zones ("**CRZ**") are the coastal stretches of India and the water area up to its territorial water limit, excluding the islands of Andaman and Nicobar and Lakshadweep and the marine areas surrounding these islands up to its territorial limit, as declared by the Ministry of Environment and Forests (Department of Environment, Forests and Wildlife) through the CRZ Notification.

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 CRZ. The CRZ Notification provides for detailed classification of the CRZ area into different zones for the purpose of conserving and protecting coastal areas and marine waters, and accordingly permit or prohibit the specific activities within each zone.

Guidelines for culture of Litopenaeus vannamei in fresh water / inland farms, by the Government of Andhra Pradesh

The Government of Andhra Pradesh has specifically issued guidelines and instructions for culture of *Litopenaeus vannamei* in fresh water/inland farms located outside the jurisdiction of the CAA having a water salinity of 0.5 ppt, pursuant to similar guidelines issued by the Government of India.

The guidelines *inter alia* provide that farmers who are desirous of cultivating *Litopenaeus vannamei* in fresh water/inland farms located outside the jurisdiction of the CAA, having water salinity above 0.5 PPT, are required to register their farms with the State Fisheries Department. The guidelines set out the various aspects related to registration of farms with the State Fisheries Department, Andhra Pradesh, inspection of farms, stocking density and record keeping, biosecurity, legal and environmental issues that are required to be complied with.

The Food Safety and Standards Act, 2006 ("FSSA")

The FSSA was enacted with a view to consolidating the laws relating to food and to establish the Food Safety and Standards Authority of India ("**Food Authority**"), for laying down science based 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 Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing policies and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers and powers and procedures relating to adjudication by the Food Safety Appellate Tribunal. In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 ("**FSSR"**). The FSSR provides the procedure for registration and licensing process for food business and the Food Safety & Standards (Food Products Standards and Food Additives) Regulations, 2011 lay down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'food safety officer' and 'food analyst' and procedures of taking extracts of documents, and seizure, sampling and analysis of food.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976. 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 requires that no person shall, in relation to any goods, things or services, (a) quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or (b) issue or exhibit any price list, invoice, cash memo or other document, or (c) prepare or publish any advertisement, poster or other document, or (d) indicate the net quantity of a pre-packaged commodity, or (e) express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration. as determined under the Legal Metrology Act. The Legal Metrology Act allows companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and has prescribed stringent punishment for violation of its provisions.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

National Policy on Marine Fisheries, 2017 ("NPMF, 2017")

The overarching goal of the NPMF, 2017, a ten year policy framework, is to ensure the health and ecological integrity of the marine living resources of India's Exclusive Economic Zone (EEZ) through sustainable harvests for the benefit of present and future generations of the nation. The NPMF, 2017 *inter-alia* states:

- India has an EEZ of 2.02 million sq.km, a long coastline of 8,118 km and two major groups of islands, with rich and diverse marine living resources;
- The marine fisheries wealth is estimated at an annual harvestable potential of 4.412 million metric tonnes;
- An estimated 4.0 million people depend for their livelihoods on the marine fisheries resources; and
- Marine fisheries contribute to an economic wealth valued at about ₹ 650 billion.

Environmental Laws

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an "occupier". In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective state pollution control board for handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilisation, offering for sale, transfer or disposal of the hazardous and other wastes.

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.

Noise Pollution (Regulation and Control) Rules, 2000

The Noise Pollution (Regulation and Control) Rules, 2000 seek to regulate and control the noise producing and generating sources including from industrial activity. In terms of the Environment Protection Rules, 1986, the maximum permissible sound pressure level for new diesel generator sets with rated capacity up to 1000 Kilovolt Ampere, manufactured on or after January 1, 2005 shall be 75 dB(A) at one meter from the enclosure surface. Integral acoustic enclosure should be provided in the diesel generator sets at the manufacturing stage itself.

Public Liability Insurance Act, 1991 ("PLIA")

The purpose of PLIA is to provide immediate relief to persons affected by accidents while handling hazardous substances, from the owners on a no fault liability basis, where death or injury to any person (other than a workman) or damage to any property has resulted from an accident. The PLIA requires the owner to take out insurance policies, prior to handling any hazardous substances.

Laws relating to employment

The following is an indicative list of labour laws applicable to our business and operations:

- Factories Act, 1948;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Motor Transport Workers Act, 1961;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing Orders) Act, 1946;
- Employees' Compensation Act, 1923;
- Child Labour (Prohibition & Regulation) Act, 1986;
- Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishments) Act, 2015;
- Andhra Pradesh Labour Welfare Fund Act, 1987; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Other regulations and policies

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that no person or company can make exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy 2015-20 ("EXIM Policy")

Under the FTA, the GoI is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

Laws of the United States applicable to our Business

Our Subsidiary is subject to numerous federal, state and local laws in the conduct of its business, including rules and regulations adopted by the US FDA and US customs among others.

The Food and Drug Administration (the "**FDA**") is responsible for the safety of all fish and fishery products entering the United States.

FDA's multifaceted and risk-informed seafood safety program relies on various measures of compliance with its seafood Hazard Analysis and Critical Control Points ("**HACCP**") regulations, which describe a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

For imported seafood, these measures include:

- inspections of foreign processing facilities;
- sampling of seafood offered for import into the United States;
- domestic surveillance sampling of imported products;
- inspections of seafood importers;

- evaluations of filers of seafood products;
- foreign country program assessments; and
- relevant information from our foreign partners and FDA overseas offices.

FDA conducts its seafood safety oversight activities in conformity with its statutory authorities, which have recently been expanded by the Food Safety Modernization Act (the "**FSMA**"). The FSMA, requires that facilities engaged in manufacturing, processing, packing, or holding food for consumption in the United States submit additional registration information to FDA, including an assurance that FDA will be permitted to inspect the facility. The FSMA, also requires food facilities required to register with FDA to renew such registrations every other year, and provides FDA with authority to suspend the registration of a food facility in certain circumstances. Our shrimp processing facilities have valid and subsisting FDA registrations.

Specifically, if FDA determines that food manufactured, processed, packed, received, or held by a registered food facility has a reasonable probability of causing serious adverse health consequences or death to humans or animals, it may by order suspend the registration of a facility that created, caused, or was otherwise responsible for such reasonable probability; or knew of, or had reason to know of, such reasonable probability; and packed, received, or held such food.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Devi Sea Foods Private Limited on March 26, 1992, at Hyderabad, Andhra Pradesh, India as a private limited company under the Companies Act, 1956. Our Company became a deemed public limited company under Section 43A(1A) of the Companies Act, 1956 with effect from June 30, 1995, and the word "private" was struck off from the name of our Company pursuant to the Company's intimation letter to RoC dated January 1, 1998. Pursuant to our Company passing a resolution under Sections 31 and 44 of the Companies Act, 1956 on January 27, 1998, our Company was registered as a public limited company and the Registrar of Companies, Andhra Pradesh, situated at Hyderabad issued a fresh certificate of incorporation dated March 19, 1998, consequent upon conversion, recording the change of our Company's name to 'Devi Sea Foods Limited'.

Changes in the Registered Office of our Company

Except as disclosed below, there have been no changes in the registered office of our Company since the date of its incorporation.

Date of change of Registered Office	Details of the address of Registered Office
February 1, 1998	From 7-8-16/1, Kasturibha Marg, Near R.K. Mission, Visakhapatnam – 530 003, Andhra Pradesh, India to 9-14-8/1, C.B.M. Compound, Visakhapatnam – 530 003, Andhra Pradesh, India
July 31, 2001	From 9-14-8/1, C.B.M. Compound, Visakhapatnam – 530 003, Andhra Pradesh, India to 50-57-22/1, Municipal Ward No. 27, Rajendra Nagar, Visakhapatnam – 530 016, Andhra Pradesh, India
October 1, 2001	From 50-57-22/1, Municipal Ward No. 27, Rajendra Nagar, Visakhapatnam – 530 016, Andhra Pradesh, India to 9-14-18/1, C.B.M. Compound, Visakhapatnam – 530 003, Andhra Pradesh, India
March 16, 2005	From 9-14-18/1, C.B.M. Compound, Visakhapatnam – 530 003, Andhra Pradesh, India to Plot No. 5, Archana Apartments, No.10, Sarangapani Street, T. Nagar, Chennai – 600 017, Tamil Nadu, India
July 17, 2014	From Plot No.5, Archana Apartments, No. 10, Sarangapani Street, T. Nagar, Chennai – 600 017, Tamil Nadu, India to No. 50-1-51/1, A.S.R. Nagar, Seethammadhara, Visakhapatnam – 530 013, Andhra Pradesh, India

The changes in the Registered Office were made to *inter-alia* ensure greater operational efficiency and for administrative convenience.

Main Objects of our Company

The main objects contained in the Memorandum of Association are set forth below:

"1. To carry on the business of Exporters, Processors, dealers and traders in all kinds of seafoods like prawns, shrimps, lobsters, pomfrerts, sharks, eels, etc.,

2. To acquire, take on charter Mechanized Fishing Trawlers of any length, foreign or indigenous or from any other source or any other types of fishing boats foreign or indigenous from within or outside India, to catch prawn, fish and other sea foods by operation of mechanized trawlers, boats, country boats or any other craft suitable for catching any variety of fish, prawn or sea foods and to purchase, sell in home markets or to export to foreign countries with or without processing.

3. To carry on the business in Harvesting of Sea Foods, River Foods and to catch or arrange for the catch of all types of fish, prawns, frogs, crabs, shrimps, lobsters and other crustaces including all other sea foods or water foods, to freeze and preserve in cold storage, to export and to appoint agents to purchase, sell sea foods, river foods and other allied products for the purpose of carrying on business in the Company's products.

4. To establish and set up modern cold storage and deep freezing plant and take the same on hire for processing and preserving all kinds of foodstuffs, drugs, fruits, vegetables, fish, meat and all other eatables and to give the same on hire.

5. To carry on inland and deep-sea fishing, fish culture, forming pearl culture, deep-sea mining, drilling, seismic *surveys, oceanographic research and exploration."*

The main objects as contained in the Memorandum of Association enable our Company to carry on our existing business.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholders' resolution	Particulars
May 15, 1992	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of our Company from ₹1,500,000 comprising 15,000 equity shares of ₹100 each to ₹2,500,000 comprising 25,000 equity shares of ₹ 100 each
February 1, 1993	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of our Company from ₹2,500,000 comprising 25,000 equity shares of ₹100 each to ₹5,000,000 comprising 50,000 equity shares of ₹100 each
June 1, 1994	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of our Company from ₹5,000,000 comprising 50,000 equity shares of ₹100 each to ₹10,000,000 comprising 100,000 equity shares of ₹100 each
December 24, 2001	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of our Company from ₹10,000,000 comprising 100,000 equity shares of ₹100 each to ₹40,000,000 comprising 400,000 equity shares of ₹100 each
October 8, 2004	Clause II of the Memorandum of Association was amended to reflect the change in Registered Office from the State of Andhra Pradesh to the State of Tamil Nadu
February 1, 2005	Clause III(B) of the Memorandum of Association (objects incidental or ancilliary to the attainment of main objects) was amended to include the following sub clause (35): *"To Promote, establish or incorporate joint venture companies, subsidiary company/ies, Partnership firms or other business concerns in India or outside India and to invest or participate in the equity share capitals of such companies/ Business concerns and to obtain necessary registrations or other recognitions as corporate/ business entities whether in India or outside India subject to the applicable laws of the land wheresoever to attain the objects of the company."* Clause III(C) of the Memorandum of Association (other objects) was amended to include the following sub clause (12): *"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 non-conventional energy sources, Solar Energy Plants, Wind Energy Plants, Mechanical, Electrical, Hydel, Civil Engineering Works and similar projects."*
September 29, 2012	Clause II of the Memorandum of Association was amended to reflect the change in Registered Office from the State of Tamil Nadu to the State of Andhra Pradesh
December 3, 2014*	Clause III(B)(5) of the Memorandum of Association was amended as follows: *"To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company and to carry on the business of investment in startup seed, early, mid, late, expansion, public and growth stage companies with both funding as well as active mentoring and support in India and abroad and to undertake, carry on and execute all kinds of Financial, industrial, commercial, trading and other operations with respect to the above."*
January 30, 2018	Clause V of the Memorandum of Association was amended to reflect the sub-division of 400,000 equity shares of face value of ₹100 each in the authorized share capital into 20,000,000 equity shares of face value of ₹2 each
January 30, 2018	Clause V of the Memorandum of Association was amended to reflect increase in authorized capital from ₹40,000,000 comprising 20,000,000 equity shares of face value of ₹2 each to ₹180,000,000 comprising 90,000,000 Equity Shares of face value of ₹2 each

** Our Company has filed an application dated February 19, 2018 for condonation of delay in fiiling Form MGT-14 (in respect of this resolution) under Section 460 of the Companies Act, 2013. For further details, see "Outstanding Litigation and Material Developments" on page 316*

Major Events and Milestones of our Company

The key events in the history of our Company are provided in the table below:

Calendar Year	Particulars
1992	Foray into shrimp processing
1997	Established Devi-1
2000	Established Devi-2
2000	• Amalgamation of Navee Acqua Agro Estates Private Limited pursuant to which our Company acquired the shrimp hatchery unit • Devi Sea Foods Limited commenced supply to a full service restaurant chain in the US
2001	Upgradation of Devi-2
2002	Upgradation of Devi-1 and Devi-2
2003	Upgradation of Devi-2
2004	Anti-dumping determination by US Department of Commerce
2005	Devi Sea Foods Inc. incorporated
2006	Amended anti-dumping determination by US Department of Commerce
2007	• Upgradation of Devi-2 • Devi Sea Foods Inc. appointed by one of the leading food service distributor in the US
2010	Exclusion from antidumping levy by the US Department of Commerce
2012	Upgradation of Devi-1
2014	• Upgradation of Devi-1 • Devi Sea Foods Inc. appointed by a casual dining restaurant chain in the US
2015	Devi Sea Foods Inc. commenced supply to a seafood restaurant chain in the US
2016	Construction of our shrimp feed mill at Peddapuram, Andhra Pradesh with capacity of 40,000 MT per annum
2017	• Commenced construction of new shrimp feed plant of about 45,000 MT per annum capacity near Ongole, Prakasam District, Andhra Pradesh, India • Capacity increased at our existing shrimp feed mill in Peddapuram, Andhra Pradesh from 40,000 MT per annum. to 80,000 MT per annum

Awards, Accreditations and Accolades received by our Company

The key awards, accreditations and accolades received by our Company are provided in the table below:

Year	Particulars
2002-2003	• Marine Products Export Development Authority Export Award for best export performance under Category II (A) - Frozen Shrimp • Marine Products Export Development Authority Export Award for second best export performance under Category VI (A) - Value Added Products
2003-2004	• Marine Products Export Development Authority Export Award for best export performance under Category II (A) - Frozen Shrimp • Marine Products Export Development Authority Export Award for second best export performance under Category VI (A) - Value Added Products
2004-2005	• Marine Products Export Development Authority Export Award for best export performance under Category II (A) - Frozen Shrimp • Marine Products Export Development Authority Export Award for second best export performance under Category VI (A) - Value Added Products • Marine Products Export Development Authority Export Award for second best export performance under in Category I (A) - Overall Exports
2005-2006	Marine Products Export Development Authority Export Award for best export performance under Category II (A) - Frozen Shrimp
2006-2007	• Marine Products Export Development Authority Export Award for best export performance under Category II (A) - Frozen Shrimp • Marine Products Export Development Authority Export Award for second best export performance under Category I - (A) Overall Exports
2007-2008	Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2008-2009	Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2009-2010	Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2011-2012	• Marine Products Export Development Authority Export Award for second best export performance

Year	Particulars
	under Category II (A) - Frozen Shrimp • Marine Products Export Development Authority Export Award for second best export performance under Category I (A) - Overall Exports
2012	Sysco Gold Supplier Award in Sea Food Category awarded to our Subsidiary
2013	Sysco Gold Supplier Award in Sea Food Category awarded to our Subsidiary
2013-2014	• Marine Products Export Development Authority Export Award for second best export performance under Category I (A) - Overall Exports in Value • Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2014	• Sysco Supplier of the Year Award in Sea Food Category awarded to our Subsidiary • Sysco Gold Supplier Award in Sea Food Category awarded to our Subsidiary
2015-2016	• Marine Products Export Development Authority Export Award for second best export performance under Category I (A) - Overall Exports in Value • Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2015	Sysco Gold Supplier Award in Sea Food Category awarded to our Subsidiary
2016	Sysco Gold Supplier Award in Sea Food Category awarded to our Subsidiary
2016-2017	• Marine Products Export Development Authority Export Award for second best export performance under Category I (A) - Overall Exports • Marine Products Export Development Authority Export Award for second best export performance under Category II (A) - Frozen Shrimp
2017	• British Retail Consortium's Global Standard for Food Safety with Certification Grade "AA", issued on September 19, 2017 to Devi-2 and valid until September 13, 2018 • Global Aquaculture Alliance's Best Aquaculture Practices Certification, issued to our shrimp farm at Pedapudi Mandal, East Godavari District, Andhra Pradesh, India on September 13, 2017 and valid until November 13, 2018 • Global Aquaculture Alliance's Best Aquaculture Practices Certification, issued to our shrimp farm at Gadepalem, Andhra Pradesh, India, on October 13, 2017 and valid until November 23, 2018 • Aquaculture Stewardship Council's – ASC Shrimp Standard version 1.0 Certification, issued to our shrimp farm at Beeramgunta, Andhra Pradesh, India on June 6, 2017 and valid untill June 5, 2020 • Global Aquaculture Alliance's Best Aquaculture Practices Certification, issued to our shrimp hatchery on October 16, 2017 and valid until November 23, 2018
2018	• Global Aquaculture Alliance's Best Aquaculture Practices Certification, issued to Devi-1 on January 30, 2018 and valid until April 14, 2019 • International Featured Standards' Food Standard Certification with a score of 97.56%, issued to Devi-2 on February 1, 2018 and valid until February 22, 2019 • British Retail Consortium's Global Standard for Food Safety with Certification Grade "A", issued to Devi-1 on February 13, 2018 and valid until March 1, 2019 • Global Aquaculture Alliance's Best Aquaculture Practices Certification, issued to our shrimp feed mill at Peddapuram, Andhra Pradesh, India on January 23, 2018 and valid until March 17, 2019 • Global Aquaculture Alliance's Best Aquaculture Practices Certification, to Devi-2 issued on February 5, 2018 and valid until April 14, 2019

Corporate Profile of our Company

For further details of our Company's corporate profile, including description of our business, activities, services, products, geographical presence, market, growth, exports, profits due to foreign operations together with country wise analysis, geographical segment, competitors, management, major suppliers and customers, environmental issues, technology, managerial competence, capacity and location, see "*Our Management*", "*Our Business*", "*Industry Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 152, 119, 91, 291 and 174, respectively.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary, Devi Sea Foods Inc. Unless stated otherwise, information contained herein, in relation our Subsidiary is as on the date of this Draft Red Herring Prospectus.

Devi Sea Foods Inc. ("Devi USA")

Corporate Information

Devi USA was incorporated on March 8, 2005 in New Jersey. It has its registered office at 9 Shira Lane, Manapalan, New Jersey 07726-8801, United States of America.

Devi USA is empowered to engage in any business or activity that a New Jersey corporation can lawfully engage in, including the importation and sale of frozen shrimp in the United States.

Capital Structure

The authorized share capital of Devi USA is USD 2,000,000 divided into 2,000,000 shares of USD 1 each and the issued and paid up share capital of Devi USA is USD 190,500 divided into 190,500 shares of USD 1 each.

Shareholding

Our Company directly holds 190,500 shares of USD 1 each aggregating to 100% of the issued and paid up share capital of Devi USA.

Associate

As on the date of this Draft Red Herring Prospectus, our Company has one Associate, Maximus ARC Limited. Unless stated otherwise, information contained herein in relation our Associate is as on the date of this Draft Red Herring Prospectus.

Maximus ARC Limited

Corporate Information

Maximus ARC Limited was incorporated with the RoC on January 1, 2015 under the Companies Act, 2013 as a public limited company in Visakhapatnam, Andhra Pradesh having a CIN U67190AP2015PLC095944. It has obtained a certificate of registration dated August 3, 2016 from the RBI to commence the business of securitisation and asset reconstruction under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. It has its registered office at 59A-18/1-5A, 3rd Floor, Sri Plaza, Teachers Colony, Patamata, Vijaywada, Krishna – 520 008, Andhra Pradesh, India.

The main object of the Company is to act as and to carry on the business of a securitization and reconstruction company under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Capital Structure

The authorized share capital of Maximus ARC Limited is ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each and the issued and paid up share capital of Maximus ARC Limited is ₹629,486,000 divided into 62,948,600 shares of ₹10 each.

Shareholding

Our Company and our Promoter, P. Brahmanandam hold 23,680,000 shares and 1,310,000 shares of ₹10 each respectively aggregating to 37.62% and 2.08%, respectively, of the issued and paid up share capital of Maximus ARC Limited. The remaining shares are held by other persons and entities.

Partnership Firms

Our Company is not a partner in any partnership firm.

Capital-raising Activities through Equity and Debt

For details regarding our Company's capital-raising activities through equity and debt, as applicable, see "*Capital Structure*", "*Financial Indebtedness*", and "*Financial Statements*" on pages 71, 289 and 174 respectively.

As on date of this Draft Red Herring Prospectus, our Company has 12 Shareholders.

Time and Cost Over-runs

There have been no significant time and cost over-runs in the development or construction of any of the projects or establishments of our Company.

Changes in the 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 119, 291 and 174 respectively, there has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

There are no accumulated profits or losses of our Subsidiary that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Defaults or Re-scheduling of Borrowings and Conversions of Loans into Equity

There have been no defaults or re-scheduling of the outstanding borrowings of our Company with financial institutions or banks.

None of our outstanding loans have been converted into Equity Shares.

Lock-outs or Strikes

There have been no lock-outs or strikes in our Company since incorporation.

Injunctions or Restraining Orders

Our Company is not presently operating under any injunction or restraining order.

Interest in our Company

Our Subsidiary and Associate do not have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial Statements*" on pages 119 and 174, respectively.

Common Pursuits

There are common pursuits between our Company and our Subsidiary. For details, see "*Our Business*" and "*Risk Factors*" on pages 119 and 16. We have and shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details of related business transactions and their significance on the financial performance of our Company, see "*Related Party Transactions*" on page 173.

There are no common pursuits between our Company and our Associate.

Details regarding Acquisition of Business/Undertakings/Mergers and Amalgamation

Except as detailed below, our Company has not acquired any business or undertaking, or undertaken any mergers or amalgamations.

Navee Acqua Agro Estates Private Limited merged with our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement for amalgamation which was approved by the High Court of Judicature at Andhra Pradesh by an order dated April 4, 2000. The appointed date for the merger was April 1, 1998. Pursuant to this scheme, all estate, assets, properties, debts, outstandings, credits, liabilities, duties and obligations of Navee Acqua Agro Estates Private Limited were transferred to and vested in our Company, from the appointed date. In consideration for the transfer and vesting of the undertaking and business in our Company, our Company allotted to each shareholder of Navee Acqua Agro Estates Private Limited one equity share of face value of ₹100 each of our Company for every six equity shares of face value of ₹ 100 each of Navee Acqua Agro Estates Private Limited held by them. For further details, see "*Capital Structure*" on page 71.

Strategic or Financial Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

Shareholders' Agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any shareholders' agreements that are subsisting, except as provided below:

Shareholders' Agreement dated March 30, 2016 entered amongst our Company, P. Brahmanandam, Alluri Indra Kumar, Ganti Mahapatruni Rama Rao, Grandhi Sreeramakrishna, Siddharth Sharma, Nandipati Hema Rao, Ravi Kumar Velagapudi and Kaza Lakshminarayana ("Shareholders' Agreement").

Our Company has entered into the Shareholders' Agreement to document the rights and obligations of parties in their capacity as shareholders of Maximus ARC Limited including in relation to contribution to share capital of the Associate. Pursuant to the Shareholders' Agreement, the parties have agreed that not more than half the number of directors on the board of directors of the Associate shall be nominated by or associated with shareholders of the Associate holding 10% or more of the paid-up equity share capital of the Associate. The parties have also agreed that the Associate shall be professionally managed by a person to be appointed by the board of directors of the Associate and approved by the RBI. The parties have also agreed that the shareholding of the Associate including any transfer of shares will be in accordance with the directions issued and approvals provided by the RBI. The Shareholders' Agreement shall terminate *vis-à-vis* a particular shareholder, when such shareholder ceases to hold any equity shares in the Associate. The board of directors of the Associate have represented a projected paid up share capital of ₹1,000,000,000 while applying to the RBI for the certificate of registration to carry on the business of 'securitisation and reconstruction' under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. In this regard, under the Shareholders' Agreement, the Company and other shareholders of the Associate have agreed to increase the paid up capital of the Associate to ₹1,000,000,000. Our Company has committed to contribute ₹250,000,000 towards the paid up capital of the Associate and P. Brahmanandam, one of our Promoters has agreed to contribute ₹150,000,000 in this regard with the other shareholders contributing the remaining amount. As a result, the effective shareholding of the Company in the Associate will be 25%. The issued and paid up capital of the Associate as on the date of this Draft Red Herring Prospectus is ₹629,486,000, of which our Company has contributed ₹236,800,000. The balance contribution toward the paid up capital is required to be provided by the shareholders of the Associate by March 31, 2019. In accordance with Ind AS 28 and the Shareholders' Agreement, the Associate has been consolidated in the Restated Financial Statements considering the Company's shareholding of 25% in the Associate. For details, see "*Financial Statements*" on page 174

Guarantees

Pursuant to a letter of guarantee dated September 5, 2015 to the Union Bank of India, our Promoters, Whole-time Directors and certain members of the Promoter Group have, jointly and severally, guaranteed the repayment of facilities availed by our Company from the Union Bank of India. The aggregate liability under the letter of guarantee is ₹1,338,200,000 and interest on such amount from the date of our Company's default. The guarantee is a continuing security in favour of the Union Bank of India until the repayment of all liabilities due by our Company.

As of the date of this Draft Red Herring Prospectus, the documentation pertaining to our borrowings from the Union Bank of India are in the process of being renewed. For details, see "*Financial Indebtedness*" on page 289.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises ten Directors.

The following table provides details of our Board:

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
Name: P. Brahmanandam ***Designation:*** Chairman and Managing Director ***Address:*** H. No. 32, Balaji Baymount Rushikonda Tarakarama Layout Near Gitam College Visakhapatnam – 530 043 Andhra Pradesh, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Five years from February 1, 2018 ***DIN:*** 00860739	65	*Indian Companies* • Devee Power Corporation Limited • Maximus ARC Limited • Sri Sai Srinivasa Agro Farms and Developers Private Limited • Vederi Estates Private Limited *Foreign Companies* • Devi USA
Name: K.A. John ***Designation:*** Whole-time Director ***Address:*** H. No: 10-28-4/17, Flat No. B 5 Deepanjali Manor, Opposite Waltair Club, Siripuram Andhra University Visakhapatnam – 530 003 Andhra Pradesh, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Liable to retire by rotation, for a period of five years from February 1, 2018 ***DIN:*** 00805095	71	Nil
Name: Sambasiva Rao Gadde ***Designation***: Whole-time Director ***Address:*** H. No. 7-24-13/17 Swagruha Topaz Apartments Dutch House Layout	57	*Indian Companies* • Devee Power Corporation Limited • Maximus ARC Limited • Providence India Insurance Broking Private Limited *Foreign Companies*

<table>
<tr><th>Name, designation, address, occupation, nationality, term and DIN</th><th>Age (years)</th><th>Other directorships</th></tr>
<tr><td>Chinnawaltair
Visakhapatnam – 530 017
Andhra Pradesh, India

Occupation: Professional

Nationality: Indian

Term: Liable to retire by rotation, for a period of five years from February 1, 2018

DIN: 01293395</td><td></td><td>• Devi USA</td></tr>
<tr><td>Name: P. Rama Devi

Designation: Whole-time Director

Address:

H. No. 32, Balaji Baymount
Rushikonda
Tarakarama Layout
Near Gitam College
Visakhapatnam – 530 043
Andhra Pradesh, India

Occupation: Business

Nationality: Indian

Term: Liable to retire by rotation for a period of five years from February 1, 2018

DIN: 00860982</td><td>34</td><td>Indian Companies

• Devee Power Corporation Limited</td></tr>
<tr><td>Name: N. Naveena

Designation: Whole-time Director

Address:

H. No. 38, Balaji Baymount
Rushikonda
Tarakarama Layout
Near Gitam College
Visakhapatnam – 530 043
Andhra Pradesh, India

Occupation: Business

Nationality: Indian

Term: Liable to retire by rotation, for a period of five years from February 1, 2018

DIN: 02012677</td><td>32</td><td>Nil</td></tr>
<tr><td>Name: J. Mallikarjunudu

Designation: Independent Director

Address:

GB, Lakshmi Apartments</td><td>58</td><td>Indian Companies

• Jasti Aqua Farms Private Limited
• Navya Nirman Company Private Limited
• Pallavi Constructions Private Limited
• Sri Malli Finance and Investments Private Limited</td></tr>
</table>

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
Near Doctor's Colony, Pedawaltair Visakhapatnam – 530 017 Andhra Pradesh, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Five years from February 19, 2015 ***DIN:*** 00361594		
Name: Pramod Ranjan ***Designation:*** Independent Director ***Address:*** 1B and 2B, Ganesh Ram Apartments No. 1, Biiny Road, Poes Garden Chennai – 600 086 Tamil Nadu, India ***Occupation:*** Business ***Nationality:*** Australian ***Term:*** Five years from September 17, 2016 ***DIN:*** 00887569	50	*Indian Companies* • Coromandel Beach Properties Private Limited • Coromandel Seafoods Private Limited • Cocoon Resorts Private Limited • Dodla International Limited • Kaveri Retreats and Resorts Limited • Kodai Heights Properties Private Limited • Oriental Hotels Limited • Taj Madurai Limited
Name: K. Lakshmi Narayana ***Designation:*** Independent Director ***Address:*** Plot No. 108, Road No. 76 Navanirman Nagar Jubilee Hills, Hyderabad – 500 033 Telangana, India ***Occupation:*** Retired Civil Servant ***Nationality:*** Indian ***Term:*** Five years from January 30, 2018 ***DIN:*** 06980158	66	*Indian Companies* • Andhra Pradesh State Skill Development Corporation • Trident Sugars Limited
Name: Trinath Gampa ***Designation:*** Independent Director ***Address:*** Rajmanohar Apartments Near Liberty Gardens, Malad West Mumbai – 400 064 Maharashtra, India ***Occupation:*** Retired Banker	63	Nil

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
Nationality: Indian ***Term:*** Five years from January 30, 2018 ***DIN:*** 08045359		
Name: T.S. Ajai ***Designation:*** Independent Director ***Address:*** 1-1-31/151A 152, 153 Saket, E C I L Post Hyderabad – 500 062 Telangana, India ***Occupation:*** Chartered Accountant ***Nationality:*** Indian ***Term:*** Five years from January 30, 2018 ***DIN:*** 00282537	55	*Indian Companies* Vimta Labs Limited

Relationship between our Directors

Except as disclosed below, none of our Directors are related to each other:

(i) P. Rama Devi is the daughter of P. Brahmanandam;

(ii) N. Naveena is the daughter of P. Brahmanandam; and

(iii) P. Rama Devi and N. Naveena are sisters.

Brief biographies of Directors

P. Brahmanandam is the Chairman and Managing Director of our Company and a director of our Subsidiary. He holds a bachelor's degree in commerce from Andhra University and a master's degree in commerce from Andhra University. He has over 25 years of experience in the shrimp industry. He was appointed as a member of the Marine Products Export Development Authority for a period of three years from February 10, 1999 to February 10, 2002. He has also served as an honorary director of the Kanaka Mahalakshmi Co-Operative Bank Limited, Visakhapatnam from May 2000 to January 2005. He has been a Director on our Board since April 1, 1992.

K.A. John is a Whole-time Director of our Company and oversees our marketing functions of our Company. He has over 20 years of experience in the shrimp industry. He has been a Director on our Board since August 4, 1997.

Sambasiva Rao Gadde is a Whole-time Director of our Company and oversees our financial functions. He holds a bachelor's degree in commerce from Andhra University. He is a member of the Institute of Chartered Accountants of India and has over 15 years of experience in the finance sector. He has promoted an insurance broking venture, namely Providence India Insurance Broking Private Limited. He has been a Director on our Board since October 1, 2001.

P. Rama Devi is a Whole-time Director of our Company and oversees our procurement, production, planning and control functions of our Company. She holds a bachelor's degree in technology from Andhra University and a master's degree in business administration from Andhra University. She has over 12 years of experience in the shrimp industry. She has been a Director on our Board since June 1, 2005.

N. Naveena is a Whole-time Director of our Company and oversees our quality and assurance functions. She holds a bachelor's degree in engineering from Andhra University and a master's degree in business administration from Andhra University. She has over nine years of experience in the shrimp industry. She has been a Director on our Board since August 14, 2008.

J. Mallikarjunudu is an Independent Director of our Company. He holds a bachelor's degree in commerce from Andhra University. He is a partner of a partnership firm engaged in construction activities. He has been a Director on our Board since February 19, 2015.

Pramod Ranjan is an Independent Director of our Company. He holds a master's degree in business administration from Monash University, Australia. He is a director on the board of several companies engaged in the hospitality industry, including Oriental Hotels Limited and Taj Madurai Limited. He has been a Director on our Board since December 30, 2015.

Trinath Gampa is an Independent Director of our Company. He holds a master's degree in commerce from Andhra University. He was certified as an associate of the Indian Institute of Bankers in 1981. He has previously worked with the Union Bank of India for 38 years. He was appointed as a professional director of the District Co-operative Central Bank Limited on January 3, 2017. He has been a Director on our Board since January 30, 2018.

T.S. Ajai is an Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India. He is a practicing chartered accountant having received his certificate of practice from the Institute of Chartered Accountants of India in 1987. He has been a Director on our Board since January 30, 2018.

Dr. K. Lakshmi Narayana is an Independent Director in our Company. He holds a master's degree in economics from Sri Venkateswara University, Tirupati and a doctorate of philosophy in economics from Sri Venkateswara University, Tirupati. He has worked with the Government of Andhra Pradesh in various positions such as Commissioner of Technical Education and Commissioner of Sugar and Cane. He has been a Director on our Board since January 30, 2018.

Confirmations

1. None of our Directors are, or were, directors of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on the Stock Exchanges.

2. None of our Directors are, or were, directors of any listed company which has been, or was delisted from any recognised stock exchange.

3. No proceedings or investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors.

Terms of appointment of the Whole-time Directors

The terms of appointment of our Whole-time Directors have been approved pursuant to a resolution of our Board dated January 23, 2018 and resolutions of our Shareholders dated January 30, 2018 and March 1, 2018. The details of the terms of appointment of our Whole-time Directors, are as set out below:

Director	Salary
P. Brahmanandam	₹3,750,000 per month along with an annual increment at the rate of 10% and commission not exceeding 4% of the net profits in an accounting year, subject to availability of profits (with effect from Financial Year 2017-2018)
Sambasiva Rao Gadde	₹13,000,000 per annum along with an annual increment at the rate of 10%
K.A. John	₹500,000 per month along with an annual increment at the rate of 10%
P. Rama Devi	₹1,450,000 per month along with an annual increment at the rate of 10%
N. Naveena	₹1,450,000 per month along with an annual increment at the rate of 10%

In addition to the salary set out above, the Whole-time Directors are entitled to the following perquisites:

- Rent free furnished residential accommodation with free gas, electricity and water as per our Company's policy. Entitlement to such house rent allowance as may be decided by the Board from time to time, subject to a limit of 60% of salary, together with reimbursements of expenses and/or allowances for utilisation of gas, electricity, telephone bills, water, furnishings, repairs and leave travel concession for self and family;

- Reimbursement of housekeeping expenses subject to maximum of three servants;
- Contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave;
- Medical benefit for self and family (spouse, dependent children and parents in India);
- Medical insurance premium and personal accident insurance premium as per Company policy;
- Leave travel expenses for self and family;
- Leave and encashment of leave;
- Fees for three corporate clubs in India for P. Brahmanandam and two corporate clubs for all other Whole-time Directors;
- Reimbursement for entertainment, traveling and all other expenses incurred for the business of the Company;
- Any other one time/periodic retirement benefits/ allowances as may be decided by the Board from time to time;
- Car with driver for business and personal use along with reimbursements for maintenance expenses of another car owned or leased/rented by the Director for business and personal use;
- Other allowances/benefits, perquisites as the Board may decide from time to time; and
- Such other facilities and amenities whether as allowance or reimbursement as the Board may deem fit from time to time, subject to a ceiling of 10% of salary.

Payment or benefit to Directors of our Company

The sitting fees/ remuneration paid to our Directors in Financial Year 2017 are as follows:

1. Remuneration to Whole-time Directors:

The details of the total expense incurred by our Company towards remuneration paid to our Whole-time Directors during Financial Year 2017 is as follows(1):

S. No.	Name of Director	Remuneration (₹)
1.	P. Brahmanandam	45,000,000
2.	P. Rama Devi	23,009,500**
3.	N. Naveena	22,990,000**
4.	P. Suryavathi*	7,200,000
5.	Sambasiva Rao Gadde	6,000,000
6.	K.A. John	3,600,000

(1) Remuneration is not inclusive of perquisites paid to the Whole-time Directors
**Resigned from our Board with effect from January 23, 2018*
***Includes receipts from key man insurance policies*

2. Remuneration to Independent Directors:

Pursuant to a resolution of our Board dated January 23, 2018, each Independent Director is entitled to receive sitting fees of ₹25,000 per meeting for attending meetings of the Board or any of its committees within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Details of sitting fees paid to our Independent Directors for the Financial Year ended March 31, 2017 is as follows.

S. No.	Name of Director	Sitting fees paid (₹)
1.	J. Mallikarjunudu	20,000
2.	Pramod Ranjan	20,000
3.	Devaram Balaramy Ravi Reddy*	20,000
4.	Trinath Gampa**	Nil
5.	K. Lakshmi Narayana**	Nil

S. No.	Name of Director	Sitting fees paid (₹)
6.	T.S. Ajai**	Nil

* *Resigned from our Board with effect from August 25, 2017*
***No sitting fees has been paid to these Independent Directors during Financial Year 2017 as they were appointed as Independent Directors in Financial Year 2018*

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or any members of the senior management.

There are no contracts appointing or fixing the remuneration of the Whole-time Directors of our Company entered into within, or prior to the last two years before the date of this Draft Red Herring Prospectus. For details, see *"Our Management – Terms of appointment of the Whole-time Directors"* on page 156.

Shareholding of our Directors in our Company

In accordance with our Articles of Association, our Directors are not required to hold any qualification shares in our Company.

Except as disclosed below, none of our Directors hold any Equity Shares, as of the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of total Equity Shareholding	No. of Equity Shares	% of total Equity Shareholding
1.	P. Brahmanandam**	27,607,500	46.01%	[●]	[●]
2.	P. Rama Devi	13,894,500	23.16%	[●]	[●]
3.	N. Naveena	13,918,500	23.20%	[●]	[●]
	Total	**55,420,500**	**92.37%**	[●]	[●]

* *To be updated upon finalisation of Offer Price*
** *Includes 450,000 Equity Shares held by P. Brahmanandam jointly with P.V. Krishna Rao*

Shareholding of our Directors in our Subsidiary or Associate

Except P. Brahmanandam who holds 1,310,000 equity shares of face value of ₹10 each, in our Associate aggregating to 2.08% of the paid up share capital of our Associate, none of our Directors hold any equity shares in our Subsidiary or our Associate, as of the date of filing this Draft Red Herring Prospectus.

Appointment of relatives of our Directors to any office or place of profit

Except as disclosed in *"- Relationship between our Directors"* on page 155, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Interests of Directors

1. All 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, to the extent of any remuneration and reimbursement of expenses payable to them under our Articles of Association, receipts from key man insurance policies (if any), and to the extent of remuneration and perquisites paid to them for services rendered as an officer or employee of our Company. Some of our Whole-time Directors may hold positions as directors on the board of our Subsidiary and Associate and as heads of certain business verticals/functions of our Company.

2. Except as disclosed in "*Financial Statements*", "*Our Promoters and Promoter Group*" and "*Related Party Transactions*" on pages 174, 167 and 173 respectively, none of our Directors have any interest in any property acquired by our Company during the two years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

3. Except for P. Brahmanadam who is a Promoter and P. Rama Devi and N. Naveena who form part of our Promoter Group, none of our Directors have any interest in the promotion of our Company. For details of interests of Directors who are Promoters, see "*Our Promoters and Promoter Group*" on page 167.

4. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

5. The Directors may also be regarded as interested in the equity shares, if any, held by them in our Company and/or our Associate, or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such equity shares held by them.

6. Except as disclosed in "*Our Promoters and Promoter Group*", "*Financial Statements*" and "*Related Party Transactions*" on pages 167, 174 and 173 respectively, none of our Directors are interested in any transaction in acquisition of land, construction of building and supply of raw material and do not have any other interest in our business.

7. Except as disclosed in "*Our Promoters and Promoter Group*", "*Financial Statements*" and "*Related Party Transactions*" on pages 167, 174 and 173, respectively and any sitting fees or remuneration paid to our Directors, no amount or benefit has been paid, or given, within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, or given, to any of our Directors.

8. No loans have been availed by our Directors from our Company. For details of guarantees given by our Whole-time Directors in relation to our borrowings from the Union Bank of India, see "*History and Certain Corporate Matters*" and "*Financial Indebtedness*" on pages 145 and 289, respectively.

9. None of the beneficiaries of loans, and advances and sundry debtors of our Company are related to the Directors.

10. Other than as disclosed in "*Our Management - Terms of appointment of the Whole-time Directors*" on page 156, none of our Directors are parties to any bonus or profit sharing plan of our Company.

11. No officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment, except (a) in respect of statutory benefits upon termination of their employment in our Company or upon retirement; and (b) William J. Prachyl who is entitled to payment of two months' base salary on termination of employment on non-just cause.

Changes in our Board in the last three years*

Name	Effective date of appointment/ change/cessation	Reason for change
Pramod Ranjan	December 30, 2015	Appointment as additional director
Pramod Ranjan	September 17, 2016	Regularised as Independent Director
Deviram Balaramy Reddy**	August 25, 2017	Resignation
P. Suryavathi	January 23, 2018	Resignation
K. Lakshmi Narayana	January 30, 2018	Appointment as Independent Director
Trinath Gampa	January 30, 2018	Appointment as Independent Director
T.S. Ajai	January 30, 2018	Appointment as Independent Director

**Does not include re-appointment of Directors*
***Disqualified pursuant to Section 164(2) of the Companies Act, 2013 in connection with his directorship in Paasla Aquatech Limited*

Borrowing Powers of our Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorisation of our Shareholders is required to borrow such sum or sums of money or monies, where the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our paid up share capital and free reserves, apart from the temporary loans obtained from our Company's bankers in the ordinary course of business. As on the date of filing this Draft Red Herring Prospectus, our borrowings have not exceeded the aggregate of our paid-up share capital and free reserves. We may consider obtaining such authorisation of our Shareholders, if deemed necessary.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable law, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, particularly in relation to constitution of our Board and committees thereof, and formulation and adoption of policies. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, each as required under applicable law.

Our Board has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations and in accordance with best practices in corporate governance. Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides our Board with detailed reports on its performance periodically.

Currently, our Board has ten Directors comprising of five Whole-time Directors (including two women Directors) and five Independent Directors.

Committees of our Board

In addition to the committees of our Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. T.S. Ajai, *Chairperson*;
2. J. Mallikarjunudu;
3. Trinath Gampa; and
4. Sambasiva Rao Gadde.

The Audit Committee was constituted by a meeting of our Board of Directors held on February 26, 2015 and re-constituted, by a meeting of our Board of Directors held on February 9, 2018. The terms of reference of the Audit Committee were revised pursuant to Board resolution dated February 9, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);

f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by management;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications and modified opinions in the draft audit report.

g) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h) Scrutiny of inter-corporate loans and investments;

i) Valuation of undertakings or assets of our Company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) Approval or any subsequent modification of transactions of the Company with related parties;

l) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

m) Establishing and overviewing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p) Discussion with internal auditors on any significant findings and follow up thereon;

q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Monitoring the end use of funds raised through public offers and related matters;

w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and

x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

    (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations

The Audit Committee is required to meet at least four times a year with maximum interval of 120 days between two meetings, and has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. K. Lakshmi Narayana; *Chairperson*;

2. J. Mallikarjunudu; and

3. Trinath Gampa.

The Nomination and Remuneration Committee was constituted by a meeting of our Board held on February 26, 2015 and reconstituted, by our Board of Directors at their meeting held on February 9, 2018. The terms of reference of the Nomination and Remuneration Committee were revised pursuant to Board resolution dated February 9, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Trinath Gampa; *Chairperson*

2. Sambasiva Rao Gadde; and

3. J. Mallikarjunudu.

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on February 9, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference are as follows:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

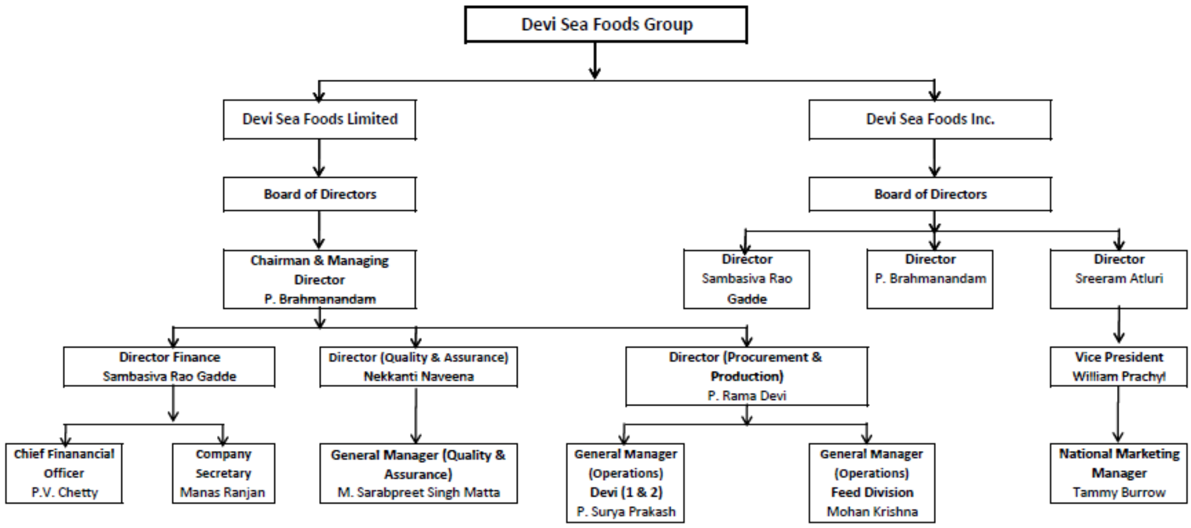
1. J. Mallikarjunudu; *Chairperson*

2. P. Rama Devi; and

3. K. A. John.

The Corporate Social Responsibility Committee was constituted by a meeting of our Board held on February 26, 2015 and reconstituted, by our Board of Directors at their meeting held on February 9, 2018. The terms of reference, powers, quorum, and other matters in relation to the Corporate Social Responsibility Committee of our Company is as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder and other applicable law.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

For profiles of our Whole-time Directors, see "*Our Management – Brief biographies of Directors*" beginning on page 155.

Sreeram Atluri, aged 49 years, is a director of our Subsidiary. He holds a bachelor's degree in science from Andhra University and a master's degree in business administration from Andhra University. He has completed the NFI Future Leaders Program from the National fisheries Institute, the Second Annual Cooked Shrimp School Course from the University of Florida and the Seafood Import Workshop from Urner Barry Publications, Inc. Prior to being appointed as a director of our Subsidiary, he has served as the Chief Marketing Officer of our Company. He has been associated with our Subsidiary since 2005. He received a remuneration of US$355,769.21 in the last Fiscal from our Subsidiary.

William J. Prachyl, aged 68 years, is the Vice President, Sales and Marketing of our Subsidiary. He holds a bachelor's degree in business administration from the Sam Houston State University. He has been associated with our Subsidiary since January 6, 2010. He received a remuneration of US$146,038.42 in the last Fiscal from our Subsidiary.

Tammy Burrow, aged 45 years, is the National Marketing Manager of our Subsidiary. Previously she has worked with us as the Marketing Specialist of our Subsidiary before being reassigned as National Marketing Manager on March 3, 2011. She holds a bachelor's degree in science (marketing) from Southwest Missouri State University. She has been associated with our Company since June 15, 2009. She received a remuneration of US$83,845.97 in the last Fiscal from our Subsidiary.

Sarabpreet Singh Matta, aged 41 years, is the General Manager (Quality Assurance) of our Company. He holds a bachelor's degree in business management from Andhra University and a master's degree in international business from GITAM Institute of Foreign Trade. He has been associated with our Company since November 1, 2012. He has received a remuneration of ₹800,800 in the last Fiscal.

Paidi Surya Prakash, aged 40 years, is the General Manager (Operations). He is an Associate Member of the Institute of Cost Accountants of India. He has been associated with our Company since June 16, 2004. He has received a remuneration of ₹777,312 in the last Fiscal.

V. Mohan Krishna, aged 46 years, is the General Manager (Operations - Feed Division). He holds a bachelor's degree in commerce from Nagarjuna University and a master's degree in food and agricultural marketing management from the University of Mysore. He has been associated with our Company since December 11, 2015. He has received a remuneration of ₹960,000 in the last Fiscal.

Varahalu Chetty Palukuri, aged 46 years, is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India. He has been associated with our Company since December 21, 1999. He has received a remuneration of ₹857,648 in the last Fiscal (in his capacity as General Manager (Accounts and Finance) of our Company).

Manas Ranjan Panigrahi, aged 26 years, is the Company Secretary and Compliance Officer of our Company. He is an associate member of the Institute of Company Secretaries in India. He has previously worked with ISMT Limited Pune. He has been associated with our Company since January 12, 2018. Given that he was appointed to this post on January 12, 2018, he has not received any remuneration from our Company in the last Fiscal.

Except as disclosed in "*Our Management – Relationship between our Directors*", none of the Key Management Personnel are related each to other.

Other than Sreeram Atluri, William J. Prachyl and Tammy Burrow who are permanent employees of our Subsidiary, all the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

Except as disclosed in *"Our Management – Shareholding of our Directors in our Company"* on page 158, none of our Key Management Personnel hold any Equity Shares in our Company.

Bonus or profit sharing plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company or our Subsidiary as the case may be.

Interests of Key Management Personnel

Except as disclosed above in relation to P. Brahmanandam, N. Naveena and P. Rama Devi, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and in the course of performance of their duties. For details, see *"Our Management – Interests of Directors"* on page 158. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration. There is no deferred or contingent compensation payable to any of our Key Management Personnel.

No loans have been availed by the Key Management Personnel from our Company.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was appointed.

Changes in the Key Management Personnel
For changes in our Board in the last three years, including in relation to our Whole-time Directors, see "*– Changes in our Board in the last three years"* on page 159.

The changes in other Key Management Personnel in the last three years are as follows:

Name	Date of change	Reason for change
Manas Panigrahi	January 12, 2018	Appointment as Company Secretary and Compliance Officer
Varahalu Chetty Palukuri	January 12, 2018	Appointment as Chief Financial Officer
Paidi Surya Prakash	April 1, 2017	Change of designation to General Manager (Operations)
Sarabpreet Singh Matta	April 1, 2017	Change of designation to General Manager (Quality and Assessment)

Payment or Benefit to officers of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

Employee Stock Option Plan

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

OUR PROMOTER AND PROMOTER GROUP

P. Brahmanandam and P. Suryavathi are the Promoters of our Company. Our Promoters hold an aggregate of 30,327,000 Equity Shares, aggregating to 50.54% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure*" on page 71.

P. Brahmanandam

P Brahmanandam, aged 65 years, is the Chairman and Managing Director of our Company and director of our Subsidiary. For further details in respect of his address, educational qualifications, professional experience, posts held in the past and other directorships, see *"Our Management"* on page 152.

He holds a driver's license no. 1459-75-1979 OD issued by the State of Andhra Pradesh and a voter's identification card bearing no. ACK8806309.

P. Brahmanandam holds 27,607,500 Equity Shares in our Company including 450,000 Equity Shares held jointly with P.V. Krishna Rao. Other than as disclosed in " – *Our Promoter Group*", "*History and Certain Corporate Matters*" and "*Our Management*" on pages 169, 145 and 152, respectively, P. Brahmanandam is not involved in any other venture.

P. Suryavathi

P. Suryavathi (DIN 02012653), aged 56 years, was previously a whole time director of our Company until January 23, 2018. She resides at Plot No. 32, Tarakarama Layout, Rushikonda, Visakhapatnam – 530 043, Andhra Pradesh, India.

She holds a voter's identification card bearing no. BGY7527203. She does not hold a driving license as on the date of this Draft Red Herring Prospectus

P. Suryavathi holds 2,719,500 Equity Shares in our Company. Other than as disclosed in " – *Our Promoter Group*", on page 169, P. Suryavathi is not involved in any other venture

Our Company confirms that the permanent account number, bank account number and passport number of P. Brahmanandam and P. Suryavathi shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company. For details regarding the shareholding of our Promoters in our Company, see "*Capital Structure*" and "*Our Management*" on pages 71 and 152, respectively.

Interests of Promoters in property of our Company

Except as disclosed in this section and in "*Related Party Transactions*" and "*Financial Statements*" on pages 173 and 174, respectively, our Promoters have no interest in any property acquired by our Company during the two years preceeding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

Our Promoters are interested in our Company (i) to the extent of their shareholding and the shareholding of their relatives in our Company and dividend payable, if any, and other distributions in respect of such Equity Shares held by them or their relatives, (ii) in case of P. Brahmanandam, to the extent of being the Chairman and Managing Director of our Company, and director on the boards of directors of the Subsidiary and the Associate, and the compensation and perquisites payable to him, (iii) to the extent of any transactions or business arrangements by our Company and the Subsidiary with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest, and (iv) to the extent of guarantees provided by our Promoters and certain members of our Promoter Group in respect of outstanding borrowings of our Company from the Union Bank of India. For details regarding the shareholding of our Promoters and the members of our Promoter Group in our Company, their directorships, and guarantees extended by our Directors, see "*Capital Structure*", "*Our Management*", "*Financial Indebtedness*" and "*History and Certain Corporate Matters*" beginning on pages 71, 152, 289 and 145, respectively, and for business transactions between our Promoters and our Company, see "*Related Party Transactions*" and "*Financial Statements*" beginning on pages 173 and 174, respectively.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or for services rendered by such Promoter(s) or by such firm or Company in connection with the promotion or formation of our Company except as disclosed in this Draft Red Herring Prospectus.

Related Party Transactions

Our Registered Office has been leased from P. Suryavathi, our Promoter for a period of 11 months from June 15, 2017 for a monthly rent of ₹50,000 per month. P. Suryavathi, our Promoter and certain members of our Promoter Group have leased an aggregate of 56.34 acres of land forming part of our shrimp farm, at Pedapudi, East Godavari District, Andhra Pradesh, to our Company. For details of related party transactions entered into by our Company with our Promoters, Promoter Group, and Subsidiary during the last financial year, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 173

Interest of Promoters in Sales and Purchases

Other than as disclosed in "*Related Party Transactions*" on page 173, there are no sales/purchases between our Company and our Subsidiary and our Associate when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company as on the date of the last financial statements.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in this section, "*Related Party Transactions*", "*Our Management*", "*Financial Statements*" and "*Our Promoter and Promoter Group – Business Interests*" on pages 173, 152, 174 and 167 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Except as disclosed in "*Related Party Transactions*" and "*Financial Statements*" on pages 173 and 174 and as disclosed below (in respect of transactions which have taken place post December 31, 2017), our Company has not entered into any contract, agreements or arrangements during the two years immediately preceeding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Transactions in land

(i) Pursuant to a relinquishment deed dated January 25, 2018, our Company relinquished and transferred its share in property measuring 1,244.75 square yards located at Visakhapatnam held jointly with our Chairman and Managing Director and one of our Promoters, P. Brahmanandam in favour of P. Brahmanandam for a consideration of ₹65,556,000.

(ii) Our Company has transferred 3.37 acres of land located at Hyderabad, Telangana, India held by it to P. Rama Devi, a Whole-time Director and a member of our Promoter Group for a consideration of ₹17,662,500.

(iii) P. Rama Devi, a Whole-time Director and a member of our Promoter Group, transferred the following parcels of agricultural wet land to our Company by way of sale: (a) pursuant to Deeds of Sale dated February 20, 2018, (i) 3.57 acres located at Mulaguntapadu village, Singarayakonda for a consideration of ₹10,710,000, and (ii) 2.09$^{1}/_{4}$ acres located at Mulaguntapadu village, Singarayakonda for a consideration of ₹8,527,000 and (b) pursuant to Deed of Sale dated October 25, 2016, 4.89 acres located at Mulaguntapadu village, Singarayakonda for a consideration of ₹2,934,000;

(iv) N. Naveena, a Whole-time Director and a member of our Promoter Group, transferred the following parcels of agricultural wet land to our Company by way of sale: (a) pursuant to Deed of Sale dated February 20, 2018, 0.78 acres located at Mulaguntapadu village, Singarayakonda for a consideration of ₹3,175,000; and (b) pursuant to Deed of Sale dated February 19, 2018, 0.61 acres located at Mulaguntapadu village, Singarayakonda for a consideration of ₹ 1,830,000; (c): pursuant to a Deed of Sale dated October 25, 2016, 11.02 acres located at Mulanguntapadu village for a consideration of ₹6,612,000;

Litigation involving our Promoters

There are no legal and regulatory proceedings involving our Promoters as on the date of this Draft Red Herring Prospectus.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Confirmations

Our Promoters, relatives of 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 issued by the RBI and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of 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.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority or which is a wilful defaulter as categorised by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time. Our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the three years immediately preceeding the date of this Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company in the immediately preceeding five years.

Our Promoter Group

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group of the Company.

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
P. Brahmanandam	P. Rama Devi	Daughter
	N. Naveena	Daughter
	P. Satyanarayana	Brother

Name of Promoter	Name of relative	Relationship
	P. Kondala Rao	Brother
	P. Krishna Mohan	Brother
	Uppuluri Swarajyam	Sister
P. Suryavathi	Yarlagadda Kanthamma	Mother
	P. Rama Devi	Daughter
	N. Naveena	Daughter
	Y. Ammanna Chowdary	Brother
	M. Aruna Bhavani	Sister
	V. Ammaji	Sister
	G. Manikyamba	Sister

B. Entities forming part of the Promoter Group

(i) Devee Power Corporation Limited
(ii) Sri Sai Srinivasa Agro Farms and Developers Private Limited
(iii) Vederi Estates Private Limited

OUR GROUP COMPANIES

Pursuant to resolution dated March 1, 2018, our Board has considered that ‘group companies’ shall mean and include (i) those companies (other than our Associate) which constitute part of the related parties of our Company under the applicable accounting standards, being Indian Accounting Standard (Ind AS) 24 (as per our Restated Consolidated Financial Statements), and (ii) other companies as considered material by our Board. For the purposes of (ii) above, a company (other than any subsidiary or associate of the Companuy) shall be considered material if our Company has entered into one or more transactions with such company during the last completed financial year, which in value exceeds 5% of the total consolidated revenue of our Company for that financial year as per the Restated Consolidated Financial Statements. Based on the above, our Board has noted that there are no group companies of our Company as of the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax payable by our Company. The Company has no formal dividend policy. The dividends declared by our Company during the last five Fiscal years have been presented below:

	Year ended March 31				
	2013	**2014**	**2015**	**2016**	**2017**
Face value of equity share (per share)	100	100	100	100	100
Dividend on equity shares (₹)	80,000,000	-	20,000,000*	20,000,000**	4,000,000
Final dividend on each equity share (₹)	200	0	50*	50**	10
Dividend tax (₹)	13,596,000	-	4,071,516	4,071,516	814,304
Rate of dividend (%)	200	0	50	50	10

**Interim dividend declared at the rate of 50% on the paid-up equity share capital of the Company pursuant to the Board resolution dated August 10, 2015 was regularised as final dividend for the financial year ended March 31, 2015 pursuant to the Shareholders' resolution dated September 26, 2015*

***Interim dividend declared at the rate of 50% on the paid-up equity share capital of the Company pursuant to the Board resolution dated March 22, 2016 was regularised as final dividend for the financial year ended March 31, 2016 pursuant to the Shareholders' resolution dated September 17, 2016*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts payable, if any, in the future. Please see "*Risk Factors*" on page 16.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Statements, see "*Financial Statements*" on page 174.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Independent Auditor's Report
on Restated Ind AS Consolidated Financial Information

The Board of Directors
Devi Sea Foods Limited
Regd. Office: D.No. 50-1-51/1,
A.S.R. Nagar, Seethammadhara
Visakhapatnam - 530013

Dear Sirs,

1. We have examined the attached **Restated Ind AS Consolidated Financial Information** of **Devi Sea Foods Limited** ("the Holding Company") and its subsidiaries, (collectively referred to as "the Group") and of its associate, 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 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 and in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").

2. 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 12 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 these 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 12 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 associate 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 in 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 23 February 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 & 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 23 February 2018 submitted by them. M/s. Pendyala & Co, Chartered Accountants, have also confirmed that the Restated Ind AS Consolidated Financial Information for these years:

   a) have been prepared after incorporating adjustments for change in accounting policies retrospectively in the 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.

6. The Restated Ind AS Consolidated Financial Information includes, the Group's share of net profit / (loss) (including other comprehensive income) of Rs.1.63 million and Rs.(1.40) million for the nine months ended 31 December 2017 and year ended 31 March 2017 respectively, in respect of its associate, Maximus ARC Limited, whose financial statements have not been audited by us. These financial statements have been audited by Pendyala & Co., Chartered Accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Ind AS Consolidated Financial Information is based solely on their report.

7. 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 Consolidated Statement of Assets and Liabilities of the Group and its associate as at 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala & 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 the Statement of Adjustments to IGAAP Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Ind AS Consolidated Financial Information.

b) The Restated Consolidated Statement of Profit and Loss of the Group and its associate for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala & 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 the Statement of Adjustments to IGAAP Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Ind AS Consolidated Financial Information.

c) The Restated Consolidated Statement of Cash Flows of the Group and its associate for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala & 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 the Statement of Adjustments to IGAAP Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Ind AS Consolidated Financial Information.

d) The Restated Consolidated Statement of Changes in Equity of the Group and its associate for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala & 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 the Statement of Adjustments to IGAAP Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Ind AS Consolidated Financial Information.

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 & Co, Chartered Accountants for the respective years, we further report that the Restated Ind AS Consolidated 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 treatmentas 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.

8. We have also examined the following Restated Ind AS Consolidated Financial Information of the Group and its associate as set out in the Annexures prepared by the management and approved by the Board of Directors, on 23 February 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 these information have been included based upon the reports submitted by previous auditor, M/s. Pendyala & 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) Statement of Adjustments to IGAAP Audited Consolidated Financial Statements as enclosed in Annexure VII;

(iv) Restated Consolidated Statement of Other Income, as enclosed in Annexure VIII;

(v) Restated Consolidated Statement of Accounting Ratios, as enclosed in Annexure IX;

(vi) Restated Consolidated Statement of Capitalisation, as enclosed in Annexure X;

(vii) Restated Consolidated Statement of Dividend, as enclosed in Annexure XI.

9. 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 & Co, Chartered Accountants, the Restated Ind AS Consolidated Financial Information of the Group and its associate 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 XI, 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.

10. 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.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. 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 of the Company 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: 23-02-2018

Devi Sea Foods Limited

Annexure I: Restated Consolidated Statement of Assets and Liabilities

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
ASSETS							
Non-current assets							
Property, plant and equipment	5(a)	991.05	950.73	689.59	464.64	429.26	391.13
Capital work-in-progress	5(b)	221.25	1.07	-	0.33	9.09	2.59
Intangible assets	5(c)	0.15	0.28	-	-	-	-
Investment in associate		237.18	235.56	9.96	9.80	-	-
Financial assets							
-Investments	6(a)	494.38	500.68	466.16	446.41	313.95	270.00
-Loans	6(b)	34.55	31.33	24.39	17.44	18.11	13.91
-Other financial assets	6(g)	24.45	107.54	112.71	3.22	27.53	25.41
Deferred tax assets (net)	14(b)	61.64	44.43	42.44	44.16	97.65	16.77
Other non-current assets	7	79.93	65.45	57.63	102.34	54.58	99.37
Total non-current assets		**2,144.58**	**1,937.07**	**1,402.88**	**1,088.35**	**950.17**	**819.18**
Current assets							
Inventories	8	4,082.93	2,847.52	2,562.44	1,238.00	1,142.40	822.42
Financial assets							
-Investments	6(b)	-	-	221.43	5.23	4.23	3.00
-Trade receivables	6(d)	2,088.90	1,821.64	900.30	899.97	1,127.04	651.56
-Cash and cash equivalents	6(e)	171.92	436.42	496.11	179.92	434.35	145.34
-Bank balances other than cash and cash equivalents	6(f)	63.66	105.54	189.70	485.57	232.36	394.30
-Other financial assets	6(g)	37.40	53.18	26.84	44.01	9.12	21.63
Other current assets	9	167.97	353.05	193.23	280.87	232.97	235.16
Total current assets		**6,612.78**	**5,617.35**	**4,590.05**	**3,133.57**	**3,182.47**	**2,273.41**
Total assets		**8,757.36**	**7,554.42**	**5,992.93**	**4,221.92**	**4,132.64**	**3,092.59**

Devi Sea Foods Limited
Annexure I: Restated Consolidated Statement of Assets and Liabilities
(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	10	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	11	6,196.41	4,800.00	3,773.15	2,945.65	2,144.06	1,546.92
Equity attributable to owners		**6,236.41**	**4,840.00**	**3,813.15**	**2,985.65**	**2,184.06**	**1,586.92**
Non-controlling interest		-	-	-	1.72	1.72	1.72
Total equity		**6,236.41**	**4,840.00**	**3,813.15**	**2,987.37**	**2,185.78**	**1,588.64**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
-Borrowings	12(a)	97.12	106.91	106.92	118.67	122.50	46.67
Provisions	13	1.56	10.71	7.99	6.28	3.62	3.42
Deferred tax liabilities (net)	14(a)	208.72	201.76	250.45	218.76	195.79	121.19
Total non-current liabilities		**307.40**	**319.38**	**365.36**	**343.71**	**321.91**	**171.28**
Current liabilities							
Financial liabilities							
-Borrowings	12(b)	1,478.54	1,901.39	1,622.35	762.61	1,458.45	1,237.06
-Trade payables	12(c)	367.22	192.36	83.32	31.21	40.30	38.51
-Other financial liabilities	12(d)	125.39	78.88	64.75	49.74	34.34	24.05
Other current liabilities	15	47.24	46.76	15.23	26.55	16.31	15.02
Provisions	13	-	1.10	0.91	0.73	1.08	0.42
Current tax liabilities (net)		195.16	174.55	27.86	20.00	74.47	17.61
Total current liabilities		**2,213.55**	**2,395.04**	**1,814.42**	**890.84**	**1,624.95**	**1,332.67**
Total liabilities		**2,520.95**	**2,714.42**	**2,179.78**	**1,234.55**	**1,946.86**	**1,503.95**
Total equity and liabilities		**8,757.36**	**7,554.42**	**5,992.93**	**4,221.92**	**4,132.64**	**3,092.59**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors of
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

Devi Sea Foods Limited

Annexure II: Restated Consolidated Statement of Profit and Loss

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from operations	16	14,539.40	16,119.32	9,876.70	9,225.82	8,924.70	5,652.76
Other income	17	112.36	132.26	145.42	222.32	49.74	218.41
Total income		**14,651.76**	**16,251.58**	**10,022.12**	**9,448.14**	**8,974.44**	**5,871.17**
Expenses							
Cost of materials consumed	18	9,216.13	9,714.54	6,905.89	6,879.65	6,417.60	3,305.34
Purchase of stock-in-trade		2,708.51	3,202.99	1,604.87	165.54	575.76	888.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(1,088.18)	(35.51)	(1,152.59)	(39.82)	(238.45)	168.47
Employee benefits expense	20	307.81	330.50	243.65	209.80	153.68	113.76
Finance costs	21	71.48	90.43	31.35	33.71	61.53	52.98
Depreciation and amortisation expense		116.72	126.15	90.15	89.37	55.64	49.93
Other expenses	22	1,142.01	1,188.01	1,055.02	860.49	911.75	729.04
Total expenses		**12,474.49**	**14,617.11**	**8,778.35**	**8,198.73**	**7,937.52**	**5,307.93**
Profit before tax		2,177.27	1,634.47	1,243.77	1,249.41	1,036.91	563.24
Tax expense	23						
Current tax		773.84	628.27	399.91	369.79	366.15	183.74
Deferred tax		(10.82)	(50.75)	32.00	76.18	(6.27)	13.41
Profit after tax before share of net profits of investments accounted for using equity method		**1,414.25**	**1,056.95**	**811.86**	**803.44**	**677.03**	**366.09**
Share of equity-accounted investee, net of tax		1.63	(1.40)	0.16	0.00	-	-
Profit for the period / year		**1,415.88**	**1,055.55**	**812.02**	**803.44**	**677.03**	**366.09**
Other comprehensive income (OCI)							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit obligation		0.47	(0.76)	(0.41)	(1.99)	0.58	(0.79)
Income tax relating to these items		(0.16)	0.26	0.17	0.68	(0.15)	0.26
		0.31	**(0.50)**	**(0.24)**	**(1.31)**	**0.43**	**(0.53)**
Items that will be reclassified to profit or loss							
Foreign currency translation adjustments		(14.97)	(28.20)	39.79	23.53	13.28	5.41
		(14.97)	**(28.20)**	**39.79**	**23.53**	**13.28**	**5.41**
Other comprehensive income/(loss) for the period / year		**(14.66)**	**(28.70)**	**39.55**	**22.22**	**13.71**	**4.88**
Total comprehensive income for the period / year		**1,401.22**	**1,026.85**	**851.57**	**825.66**	**690.74**	**370.97**
Earnings per equity share [EPES] [in absolute ₹]	24						
Nominal value per equity share		2	2	2	2	2	2
Basic and Diluted EPES		23.60	17.59	13.53	13.39	11.28	6.10

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors of
Devi Sea Foods Limited

P. Brahmanandam
Managing director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854
Place: Visakhapatnam
Date: 23 February 2018

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Devi Sea Foods Limited
Annexure III: Restated Consolidated Statement of Cash Flows
(All amounts in ₹ million, except share data and where otherwise stated)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities						
Profit before tax	**2,177.27**	**1,634.47**	**1,243.77**	**1,249.41**	**1,036.91**	**563.24**
Adjustments for:						
Depreciation and amortisation expense	116.72	126.15	90.15	89.37	55.64	49.93
Finance cost	71.48	90.43	31.35	33.71	61.53	52.98
Interest income	(5.70)	(22.97)	(27.86)	(25.92)	(29.29)	(26.23)
Net (gain)/loss on financial instruments at FVTPL	15.19	(23.26)	16.50	(35.62)	11.09	(97.07)
Gain on sale of investments, net	-	(11.15)	(10.46)	(0.05)	-	(0.01)
Gain from investment in insurance policies	(35.15)	(28.69)	(28.39)	(16.69)	(17.54)	(5.73)
Employee benefits provision	(9.94)	2.41	1.65	1.00	1.29	0.59
Profit on disposal of property, plant and equipment, net	(0.11)	(0.88)	(0.71)	(1.16)	(1.49)	(77.29)
Receipt of government assistance related to assets	(22.34)	(2.08)	(34.77)	(0.42)	(10.48)	(4.97)
Operating Cash Flow before working capital changes	**2,307.43**	**1,764.44**	**1,281.23**	**1,293.63**	**1,107.67**	**455.44**
Adjustments for:						
Change in loans	(3.23)	(6.94)	(6.94)	0.52	(4.18)	(3.50)
Change in inventories	(1,276.73)	(337.01)	(1,230.14)	(39.90)	(238.18)	168.68
Change in trade receivables	(284.92)	(961.08)	34.04	250.78	(435.89)	(353.34)
Change in other current assets	185.04	(160.09)	87.52	(47.34)	6.23	216.79
Change in trade payables	204.15	148.41	(11.67)	(39.05)	(40.52)	(52.47)
Change in other financial liabilities	16.83	12.02	46.38	(1.56)	(6.99)	13.26
Change in other current liabilities	(5.57)	10.48	2.78	(4.98)	2.07	3.66
Cash generated from operating activities	**1,143.00**	**470.23**	**203.21**	**1,412.11**	**390.21**	**448.53**
Income taxes paid	(752.70)	(481.40)	(392.59)	(425.72)	(309.70)	(186.37)
Net cash generated from/(used in) operating activities (A)	**390.30**	**(11.17)**	**(189.38)**	**986.39**	**80.51**	**262.16**
Cash flow from investing activities						
Purchase of property, plant and equipment	(355.61)	(372.38)	(251.32)	(162.77)	(63.33)	(118.75)
Proceeds from sale of property, plant and equipment	2.20	2.97	1.14	5.82	16.54	227.03
Purchase of intangible assets	-	(0.28)	-	-	-	-
Investment in associate	-	(227.00)	-	(9.80)	-	-
Investment in key man insurance policies	-	(17.03)	(17.03)	(126.30)	(26.41)	(133.09)
Receipts from key man insurance policies	41.45	11.20	25.67	10.50	-	-
Receipts from sale of investment in subsidiary	-	-	5.38	-	-	-
Change in current investments, net	-	229.62	(205.02)	(0.42)	(0.49)	0.80
Investments/(redemptions) in term deposits, net	124.97	89.33	186.38	(228.90)	159.82	(343.12)
Interest received	6.29	22.85	27.81	26.16	29.97	34.47
Net cash generated from/(used in) investing activities (B)	**(180.70)**	**(260.72)**	**(226.99)**	**(485.71)**	**116.10**	**(332.66)**

Devi Sea Foods Limited

Annexure III: Restated Consolidated Statement of Cash Flows

(All amounts in ₹ million, except share data and where otherwise stated)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from financing activities						
Proceeds from long-term borrowings	0.07	0.07	-	-	78.87	43.29
Repayment of long-term borrowings	(9.86)	(0.08)	(11.75)	(3.83)	(3.04)	(0.00)
(Repayment)/proceeds from short term borrowings (net)	(407.03)	304.48	832.32	(715.59)	152.22	220.30
Dividends paid (including tax on distributed profit)	(4.81)	-	(48.14)	-	(93.60)	-
Interest paid	(50.89)	(90.43)	(43.56)	(36.80)	(46.23)	(52.98)
Net cash generate from/(used in) financing activities (C)	**(472.52)**	**214.04**	**728.86**	**(756.22)**	**88.22**	**210.61**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(262.92)**	**(57.85)**	**312.49**	**(255.54)**	**284.83**	**140.11**
Effect of exchange rate changes on cash and cash equivalents	(1.58)	(1.84)	3.70	1.11	4.18	1.60
Cash and cash equivalents at the beginning of the period / year	436.42	496.11	179.92	434.35	145.34	3.63
Cash and cash equivalents at the end of the period / year	**171.92**	**436.42**	**496.11**	**179.92**	**434.35**	**145.34**

Note 1:

The above Restated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

Note 2:

Figures in bracket indicate cash outflow.

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

Devi Sea Foods Limited

Annexure IV: Restated Consolidated Statement of Changes in Equity

(All amounts in ₹ million, except share data and where otherwise stated)

A. Equity share capital

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Balance at the beginning of the period	40.00	40.00	40.00	40.00	40.00	40.00
Add: Changes in equity during the period	-	-	-	-	-	-
Balance at the end of the period	**40.00**	**40.00**	**40.00**	**40.00**	**40.00**	**40.00**

B. Other equity

	Retained earnings	OCI		Non-controlling interest	Total other equity
		Foreign currency translation reserve	Defined benefit obligation		
As at 1 April 2012	**1,175.65**	**1.77**	**(1.47)**	**1.72**	**1,177.67**
Profit for the year	366.09	-	-	-	366.09
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	-	(0.53)	-	(0.53)
Foreign currency translation adjustments	-	5.41	-	-	5.41
As at 31 March 2013	**1,541.74**	**7.18**	**(2.00)**	**1.72**	**1,548.64**
Profit for the year	677.03		-	-	677.03
Actuarial gain on remeasurement of defined benefit obligation, net of taxes	-	-	0.43	-	0.43
Foreign currency translation adjustments	-	13.28	-	-	13.28
Dividends	(80.00)	-	-	-	(80.00)
Tax on distributed profit	(13.60)	-	-	-	(13.60)
As at 31 March 2014	**2,125.17**	**20.46**	**(1.57)**	**1.72**	**2,145.78**
Profit for the year	803.44	-	-	-	803.44
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	-	(1.31)	-	(1.31)
Foreign currency translation adjustments	-	23.53	-	-	23.53
Dividends	(20.00)	-	-	-	(20.00)
Tax on distributed profit	(4.07)	-	-	-	(4.07)
As at 31 March 2015	**2,904.54**	**43.99**	**(2.88)**	**1.72**	**2,947.37**
Profit for the year	812.02	-	-	-	812.02
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	-	(0.24)	-	(0.24)
Foreign currency translation adjustments	-	39.79	-	-	39.79
Dividends	(20.00)	-	-	-	(20.00)
Tax on distributed profit	(4.07)	-	-	-	(4.07)
Disposal of subsidiary	-	-	-	(1.72)	(1.72)
As at 31 March 2016	**3,692.49**	**83.78**	**(3.12)**	**-**	**3,773.15**

Devi Sea Foods Limited

Annexure IV: Restated Consolidated Statement of Changes in Equity

(All amounts in ₹ million, except share data and where otherwise stated)

B. Other equity (continued)

	Retained earnings	OCI		Non-controlling interest	Total other equity
		Foreign currency translation reserve	Defined benefit obligation		
As at 31 March 2016	**3,692.49**	**83.78**	**(3.12)**	-	**3,773.15**
Profit for the year	1,055.55	-	-	-	1,055.55
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	-	(0.50)	-	(0.50)
Foreign currency translation adjustments	-	(28.20)	-	-	(28.20)
As at 31 March 2017	**4,748.04**	**55.58**	**(3.62)**	**-**	**4,800.00**
Profit for the period	1,415.88		-	-	1,415.88
Actuarial gain on remeasurement of defined benefit obligation, net of taxes	-	-	0.31	-	0.31
Foreign currency translation adjustments	-	(14.97)	-	-	(14.97)
Dividends	(4.00)	-	-	-	(4.00)
Tax on distributed profit	(0.81)	-	-	-	(0.81)
As at 31 December 2017	**6,159.11**	**40.61**	**(3.31)**	**-**	**6,196.41**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 34) to the Restated Ind AS Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Consolidated Financial Statement appearing in Annexure VII

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors
Devi Sea Foods Limited

P. Brahmanandam
Managing director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

1. General information

Devi Sea Foods Limited ("Devi Sea Foods" or the "the Company") together with its subsidiary, associate (collectively "the Group and its associate") is a company headquartered and having its registered office in Visakhapatnam, Andhra Pradesh, India. The company is engaged in the activity of processing and marketing of frozen shrimp with integral activities, manufacturing of shrimp feed and wind power generation. The Company has various processing plants in State of Andhra Pradesh and wind power mill in the State of Tamil Nadu.

2. Basis of preparation

(i) The Restated Consolidated Statement of Assets and Liabilities as at 31 December 2017, 31 March 2017, 2016, 2015, 2014 and 2013 and Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 and nine months ended 31 December 2017 (together referred to as "Restated Ind AS Consolidated Financial Information") have been compiled by the Company from the Audited Consolidated Ind AS Financial Statements to which further adjustments are made to comply in all material aspects with the requirements of the Securities and Exchange Board of India (Issue of Disclosure and Capital Requirements) Regulations, 2009, as amended (the "ICDR Regulations"). Accordingly, these Restated Ind AS Consolidated Financial Information have been prepared after incorporating adjustments for the audit qualifications for the respective years under consideration and after incorporating adjustments for the material amounts in the respective financial years to which they relate as explained later. There were no exceptional items that needed to be disclosed separately for the respective years under consideration.

The Restated Ind AS Consolidated Financial Information of the Company have been in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("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.

These Restated Statements and Other Financial Information have been prepared for inclusion in the Offer Document to be filed by the Group with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

(a) 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; and

(b) relevant provisions of the ICDR Regulations issued by the Securities and Exchange Board of India ('SEBI') on 26 August 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

(ii) Principles of consolidation

(a) Subsidiaries:

Subsidiaries are all entities over which the group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated consolidated statement of profit and loss/ other comprehensive income, Restated consolidated statement of changes in equity and Restated Consolidated Statement of Assets and Liabilities respectively.

(b) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Restated Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other entity Group does not recognise further losses, Unrealised gains on transactions between the Group and its subsidiaries are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The following entities have been considered for the purpose of preparation of the consolidated financial statements:

Name of the entity	Country of Incorporation	Percentage holding/interest (%) As at					
		31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Subsidiaries							
Devi Sea Foods Inc.,	USA	100	100	100	100	100	100
Devee Power Corporation Limited	India	-	-	-	75.80	75.80	75.80
Associate							
Maximus ARC Limited *	India	25	25	25	25	-	-

* w.e.f 23 March 2015

* In accordance with the RBI notification reference no. RBI/2016-17/295 DNBR. PD (ARC) CC. No. 03/26.03.001/2016-17 dated April 28, 2017, which requires all asset reconstruction companies to achieve a minimum net owned fund (NOF) of ₹ 100 crore latest by March 31, 2019, the Company and other shareholders of Maximus ARC Limited ("Maximus") have pursuant to a shareholders agreement dated March 30, 2016 agreed to increase the paid up capital of Maximus to ₹ 100.00 crores. Under the shareholders agreement, the Company has agreed to contribute ₹ 25 crores to the paid up capital of Maximus, with the other shareholders contributing the remaining amount, such that the effective shareholding of the Company in Maximus will be 25%. In accordance with Ind AS 28- Investments in Associates and Joint Ventures, and pursuant to the Shareholders Agreement, we have considered the Company's share in Maximus as 25% for the purpose of consolidation.

3. Use of estimates and judgements

The preparation of Restated Ind AS Consolidated Financial Information in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the restated statement of assets and liabilities date and reported amounts of revenues and expenses for the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial information in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Restated Ind AS Consolidated Financial Information is included in the following notes:

- Note 4(g) and 4(h) — Useful lives of property, plant and equipment and intangible assets;
- Note 4(j) – Impairment of non-financial and financial assets;
- Note 4(l) — Financial instruments;
- Note 4(n) — Employee benefits;
- Note 4(p) – Provisions, contingencies ; and
- Note 4(q) — Income taxes

4. **Summary of significant accounting policies**

The Restated Ind AS Consolidated Financial Information have been prepared using the accounting policies and measurement basis summarized below.

a. **Functional currency**

The Restated Ind AS Consolidated Financial Information are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions, unless otherwise stated.

b. **Historical cost convention**

The Restated Ind AS Consolidated Financial Information have been prepared on the historical cost convention and on an accrual basis except for the following material items in the statement of assets and liabilities:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

c. **Current and non-current classification**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company presents assets and liabilities based on current/ non-current classification.

An **asset** is classified as current when it is:
- Expected to be realised or intended to 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

A **liability** is classified as 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

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

d. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

e. Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in the Restated Ind AS Consolidated Financial Information is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

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

f. Revenue recognition

Sale of goods
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

Sale of power
Revenue from the sale of power is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end

Export incentives
Income from export incentives are recognized when the right to receive credit as per the terms of the scheme is established and where there is certainty of realization.
Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

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

g. Property, plant and equipment (PPE)

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land and land under perpetual lease are not depreciated.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

h. Intangible assets

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Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

The intangible assets are amortized over a period of 3 years, on a straight line basis.

i. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease. All other leases are classified as operating leases.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included as a finance lease obligation. 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 profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised 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.

Operating lease payments are generally recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which the benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

j. Impairment

Impairment of non-financial assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

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 financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

k. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

l. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (“FVOCI”) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, 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 Other Income in the statement of profit or loss. The losses arising from impairment is recognised in the statement of profit or loss.

FVOCI – debt investment
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment
On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by- investment basis.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL
All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets
A financial asset is primarily de-recognised 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.

Financial liabilities
A financial liability is de-recognised 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 de-recognition 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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities 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.

Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the company's hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents
Cash and cash equivalent comprise of 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.

Dividend distribution to equity holders of the Company
The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

m. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Employee benefits

Defined contribution plan
The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan
The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company recognises the net obligation of a defined benefit plan as a liability in its statement of assets and liabilities. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

o. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in-relation to assets are presented as deferred revenue and recognized in Statement of Profit and Loss as other operating income, on a systematic basis over the periods in which the related performance obligations are fulfilled.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

q. Income taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Ind AS Consolidated Financial Information. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available
against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each reporting period and written down to the extent the aforesaid convincing evidence no longer exists.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares

5(a) Property, plant and equipment

	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Deemed cost as at 1 April 2012	**22.74**	**50.51**	**345.53**	**4.88**	**0.83**	**29.99**	**454.49**
Additions	47.51	11.78	48.13	1.35	0.10	23.12	131.98
Disposals	(3.22)	-	(141.73)	-	-	(4.79)	(149.74)
Foreign currency translation difference	-	-	-	0.01	0.00	-	0.01
As at 31 March 2013	**67.03**	**62.29**	**251.93**	**6.23**	**0.93**	**48.32**	**436.73**
Additions	12.97	26.31	47.73	1.44	1.00	14.11	103.55
Disposals	-	(0.38)	(8.74)	-	-	(5.92)	(15.05)
Foreign currency translation difference	-	-	-	0.03	0.00	-	0.04
As at 31 March 2014	**80.00**	**88.21**	**290.92**	**7.67**	**1.93**	**56.50**	**525.23**
Additions	16.72	29.62	56.20	6.20	0.92	16.49	126.16
Disposals	-	(0.41)	(0.24)	-	-	(4.02)	(4.66)
Foreign currency translation difference	-	-	-	0.02	0.00	-	0.02
As at 31 March 2015	**96.72**	**117.43**	**346.88**	**13.87**	**2.85**	**68.97**	**646.73**
Additions	17.58	85.04	182.79	15.36	0.61	20.33	321.71
Disposals	-	-	(0.00)	-	-	(0.43)	(0.43)
On disposal of subsidiary	(6.21)	-	-	-	-	-	(6.21)
Foreign currency translation difference	-	-	-	0.04	0.00	-	0.05
As at 31 March 2016	**108.10**	**202.47**	**529.67**	**29.27**	**3.47**	**88.87**	**961.85**
Additions	15.83	78.31	233.84	20.53	4.49	34.45	387.45
Disposals	-	-	-	-	-	(2.09)	(2.09)
Foreign currency translation difference	-	-	-	(0.04)	(0.00)	-	(0.04)
As at 31 March 2017	**123.93**	**280.78**	**763.51**	**49.80**	**7.96**	**121.22**	**1,347.21**
Additions	9.39	22.79	104.44	4.91	0.53	14.82	157.00
Disposals	-	-	(1.16)	-	-	(0.61)	(2.00)
Foreign currency translation difference	-	-	-	0.26	(0.00)	-	-
As at 31 December 2017	**133.32**	**303.57**	**866.79**	**54.98**	**8.49**	**135.43**	**1,502.21**

Devi Sea Foods Limited
Annexure VI: Notes to the Restated Ind AS Consolidated Financial Information
(All amounts in ₹ million, except share data and where otherwise stated)

5(a) Property, plant and equipment (continued)

	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Accumulated depreciation							
Up to 1 April 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	5.87	34.17	1.11	0.06	8.72	49.93
Disposals	-	-	(2.65)	-	-	(1.80)	(4.45)
Foreign currency translation difference	-	-	-	0.01	0.10	-	0.11
Up to 31 March 2013	**-**	**5.87**	**31.52**	**1.12**	**0.17**	**6.92**	**45.59**
Charge for the year	-	7.69	32.79	1.16	0.14	13.86	55.64
Disposals	-	-	-	-	-	(5.42)	(5.42)
Foreign currency translation difference	-	-	-	0.03	0.13	-	0.16
Up to 31 March 2014	**-**	**13.56**	**64.31**	**2.30**	**0.44**	**15.36**	**95.97**
Charge for the year	-	11.11	54.57	3.39	0.72	19.58	89.37
Disposals	-	-	-	-	-	(3.41)	(3.41)
Foreign currency translation difference	-	-	-	0.02	0.13	-	0.15
Up to 31 March 2015	**-**	**24.67**	**118.88**	**5.71**	**1.29**	**31.53**	**182.08**
Charge for the year	-	10.25	56.16	5.27	0.13	18.34	90.15
Disposals	-	-	-	-	-	(0.39)	(0.39)
Foreign currency translation difference	-	-	-	0.04	0.39	-	0.43
Up to 31 March 2016	**-**	**34.92**	**175.04**	**11.01**	**1.81**	**49.48**	**272.27**
Charge for the year	-	19.35	77.53	8.89	0.53	19.59	125.90
Disposals	-	-	-	-	-	(2.05)	(2.05)
Foreign currency translation difference	-	-	-	(0.04)	0.41	-	0.37
Up to 31 March 2017	**-**	**54.27**	**252.57**	**19.86**	**2.75**	**67.02**	**396.49**
Charge for the period	-	17.32	75.61	8.13	1.08	14.45	116.59
Disposals	-	-	(0.90)	-	-	(0.61)	(1.51)
Foreign currency translation difference	-	-	-	(0.02)	(0.00)	-	(0.02)
Up to 31 December 2017	**-**	**71.59**	**327.28**	**27.97**	**3.83**	**80.86**	**511.55**

5(a) Property, plant and equipment (Continued)

	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Net carrying amount							
As at 31 December 2017	133.32	231.98	539.51	27.01	4.66	54.57	**991.05**
As at 31 March 2017	123.93	226.51	510.94	29.94	5.21	54.20	**950.73**
As at 31 March 2016	108.10	167.55	354.63	18.26	1.66	39.39	**689.59**
As at 31 March 2015	96.72	92.76	228.00	8.16	1.56	37.44	**464.64**
As at 31 March 2014	80.00	74.65	226.61	5.37	1.49	41.14	**429.26**
As at 31 March 2013	67.03	56.42	220.41	5.11	0.76	41.40	**391.13**

Deemed cost as on 1 April 2012

	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Gross block as on 1 April 2012	22.74	119.11	647.44	15.90	3.93	68.13	877.26
Less: Accumulated depreciation till 1 April 2012	-	68.61	300.21	11.02	3.10	38.13	421.07
Less: Adjustment on account of schedule II	-	-	1.70	-	-	-	1.70
Net block treated as deemed cost upon transition	**22.74**	**50.51**	**345.53**	**4.88**	**0.83**	**29.99**	**454.49**

5(b) Capital work-in-progress

Capital work-in-progress as at 31 December 2017 of ₹221.25 includes expenditure of ₹218.57 incurred towards construction of a new plant for processing of shrimp feeds.

5(c) Intangible assets

	Software
Gross carrying amount	
As at 1 April 2016	**-**
Additions	0.53
As at 31 March 2017	**0.53**
Additions	-
As at 31 December 2017	**0.53**
Accumulated depreciation	
Up to 31 March 2016	**-**
Charge for the year	0.25
Up to 31 March 2017	**0.25**
Charge for the period	0.13
Up to 31 December 2017	**0.38**
Net carrying amount	
As at 31 December 2017	**0.15**
As at 31 March 2017	**0.28**
As at 31 March 2016	**-**

6. Financial assets

(a) Non-current Investments

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Investments in equity instruments, unquoted, fully paid up						
Investment in equity instruments at fair value through profit or loss						
(i) Ranar Agrochem Limited						
-Number of shares	70,000	70,000	70,000	70,000	70,000	70,000
-Par value of each share	₹10	₹10	₹10	₹10	₹10	₹10
-Amount	0.70	0.70	0.70	0.70	0.70	0.70
(ii) Devi Business Ventures Private Limited						
-Number of shares	-	-	-	-	200.00	200.00
-Par value of each share	-	-	-	-	₹100	₹100
-Amount	-	-	-	-	0.03	0.03
	0.70	0.70	0.70	0.70	0.73	0.73
Other investments at amortised cost						
Investment in Key Man Insurance policies	493.68	499.98	465.46	445.71	313.22	269.27
	493.68	499.98	465.46	445.71	313.22	269.27
	494.38	**500.68**	**466.16**	**446.41**	**313.95**	**270.00**
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate book value of unquoted investments	494.38	500.68	466.16	446.41	313.95	270.00

(b) Current Investments

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Investment in mutual funds, at fair value through profit or loss, unquoted						
Union KBC Dynamic Bond Fund						
-Number of units	-	-	-	81,877.95	-	-
-Amount	-	-	-	1.05	-	-
Union KBC Fixed Maturity Plan Series 8						
-Number of units	-	-	-	-	50,000.00	-
-Amount	-	-	-	-	0.53	-
Union KBC Liquid Fund						
-Number of units	-	-	146,438.24	-	-	-
-Amount	-	-	221.43	-	-	-
Union KBC Tax Savers Scheme						
-Number of units	-	-	-	199,990.00	199,990.00	199,990.00
-Amount	-	-	-	4.18	3.70	3.00
	-	**-**	**221.43**	**5.23**	**4.23**	**3.00**
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate book value of unquoted investments	-	-	218.47	2.99	2.50	2.00

(c) Loans

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good						
Security deposits	34.55	31.33	24.39	17.44	18.11	13.91
	34.55	**31.33**	**24.39**	**17.44**	**18.11**	**13.91**

(d) Trade receivables

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good						
–Others	2,088.90	1,821.64	900.30	899.97	1,127.04	651.56
	2,088.90	**1,821.64**	**900.30**	**899.97**	**1,127.04**	**651.56**

(e) Cash and cash equivalents

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Balances with banks						
– in current accounts	150.89	411.83	491.04	143.16	263.77	143.95
– in EEFC accounts	12.91	18.47	0.49	11.62	-	-
Cheques on hand	-	-	-	11.00	167.38	-
Cash on hand	8.12	6.12	4.58	14.15	3.20	1.39
	171.92	**436.42**	**496.11**	**179.92**	**434.35**	**145.34**

(f) Bank balances other than cash and cash equivalents

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deposit with maturity more than 3 months but less than 12 months	63.66	105.54	189.70	485.57	232.36	394.30
	63.66	**105.54**	**189.70**	**485.57**	**232.36**	**394.30**

(g) Other financial assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Non-current						
Deposits with maturity of more than 12 months*	24.45	107.54	112.71	3.22	27.53	25.41
	24.45	107.54	112.71	3.22	27.53	25.41
Current						
Interest receivable	-	0.59	0.47	0.42	0.66	1.34
Derivative financial asset	37.40	52.59	26.37	43.59	8.46	20.29
	37.40	53.18	26.84	44.01	9.12	21.63
	61.85	**160.72**	**139.55**	**47.23**	**36.65**	**47.04**

*The Company has pledged all of its deposits to fulfil collateral requirements.

7. Other non-current assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Capital advances	79.93	65.45	57.63	102.34	54.58	99.37
	79.93	**65.45**	**57.63**	**102.34**	**54.58**	**99.37**

8. Inventories (valued at lower of cost or net realisable value)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Raw materials	552.49	369.55	75.10	-	-	-
Work-in-progress	22.07	10.85	-	-	-	-
Finished goods	2,885.12	1,876.10	2,074.69	1,202.56	1,065.29	746.45
Stock-in-trade	606.43	579.81	408.49	33.71	75.48	74.07
Packing materials	10.04	6.64	3.48	1.48	1.36	1.48
Stores and spares	6.77	4.57	0.68	0.24	0.28	0.43
	4,082.93	**2,847.52**	**2,562.44**	**1,238.00**	**1,142.40**	**822.42**

*The Company has commenced its Shrimp Feed Operations from March 2016. Accordingly, raw materials and work-in-progress as at 31 December 2017, 31 March 2017 and 2016 pertains to the Company's Shrimp Feed Operations.

9. Other current assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Advances other than capital advances						
- Advances to employees	5.12	3.92	3.29	2.40	4.72	4.58
- Advance to suppliers and service providers	16.19	47.18	24.33	131.83	26.30	189.66
Prepaid expenses	3.19	0.63	0.48	0.19	0.32	0.38
Balances with government authorities	40.13	4.25	3.13	20.22	65.43	6.24
Accrued export incentives	103.34	297.07	162.00	125.28	135.27	33.37
Others	-	-	-	0.95	0.93	0.93
	167.97	**353.05**	**193.23**	**280.87**	**232.97**	**235.16**

10. Equity share capital

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorized share capital												
Equity shares of ₹100 each	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
Issued, subscribed and fully paid up shares												
Equity shares of ₹100 each	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
	400,000	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
Add: Issued during the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period / year	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹100 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder.

(c) Shareholders holding more than 5% equity shares in the Company

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
P. Brahmanandam *	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%
P. Rama Devi	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%
N. Naveena	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

* In addition to the above P. Brahmanandam is holding jointly 3,000 number of equity shares with another shareholder.

(d) Subsequent event update:

Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each were sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves.

11. Other Equity

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Reserves and Surplus						
Retained earnings						
Balance at the beginning of the year	**4,748.04**	**3,692.49**	**2,904.54**	**2,125.17**	**1,541.74**	**1,175.65**
Add : Profit for the period / year	1,415.88	1,055.55	812.02	803.44	677.03	366.09
Less : Dividend paid	(4.00)	-	(20.00)	(20.00)	(80.00)	-
Less: Tax on distributed profits	(0.81)	-	(4.07)	(4.07)	(13.60)	-
Balance at the end of the period / year	**6,159.11**	**4,748.04**	**3,692.49**	**2,904.54**	**2,125.17**	**1,541.74**
Other comprehensive income						
Actuarial gains / (losses)						
Balance at the beginning of the year	**(3.62)**	**(3.12)**	**(2.88)**	**(1.57)**	**(2.00)**	**(1.47)**
Gain / (loss) during the period / year	0.31	(0.50)	(0.24)	(1.31)	0.43	(0.53)
Balance at the end of the period / year	**(3.31)**	**(3.62)**	**(3.12)**	**(2.88)**	**(1.57)**	**(2.00)**
Foreign currency translation reserve						
Balance at the beginning of the year	**55.58**	**83.78**	**43.99**	**20.46**	**7.18**	**1.77**
Add/(less) : Additions during the period / year	(14.97)	(28.20)	39.79	23.53	13.28	5.41
Balance at the end of the period / year	**40.61**	**55.58**	**83.78**	**43.99**	**20.46**	**7.18**
	6,196.41	**4,800.00**	**3,773.15**	**2,945.65**	**2,144.06**	**1,546.92**

Nature and purpose of reserves

Actuarial gain/(loss) on remeasurement of defined benefit obligation

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit or loss.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

12. Financial liabilities

(a) Non-current Borrowings

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Term loan, secured						
- Rupee loans from financial institution (refer note (i))	94.11	103.90	103.83	115.58	118.60	43.14
Deferred payment, unsecured						
- Sales Tax deferment (refer note (ii))	3.01	3.01	3.09	3.09	3.90	3.53
	97.12	**106.91**	**106.92**	**118.67**	**122.50**	**46.67**

Terms and conditions of loans and nature of security

(i) (a) Represents loans availed from the Life Insurance Corporation of India which are secured against the key man insurance policies held with them. The proceeds at the time of maturity of these policies shall be utilised for the repayment of Rupee loans. These loans carry an interest ranging from 9% per annum to 10% per annum.

(b) Maturity profile

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not later than one year	-	-	-	-	-	-
Later than one year and not later than three years	-	-	-	-	-	-
Later than three years	94.11	103.90	103.83	115.58	118.60	43.14
	94.11	**103.90**	**103.83**	**115.58**	**118.60**	**43.14**

(ii) (a) Represents interest free loan availed under the scheme floated by the Directorate of Industries, Government of the United State of Andhra Pradesh. Loan repayment shall commence on an annual basis from 1 April 2019 to March 2028 after completion of 14 years from the year of collection.

(b) Maturity profile

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not later than one year	-	-	-	-	-	-
Later than one year and not later than three years	0.75	0.42	-	-	-	-
Later than three years	2.26	2.59	3.09	3.09	3.90	3.53
	3.01	**3.01**	**3.09**	**3.09**	**3.90**	**3.53**

(b) Current borrowings

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Secured						
From Banks						
Packing credit loans (refer note i)	295.25	841.93	647.46	185.00	600.96	352.86
Others (refer notes ii and iii)	1,183.29	1,059.46	974.89	577.61	857.49	884.20
	1,478.54	**1,901.39**	**1,622.35**	**762.61**	**1,458.45**	**1,237.06**

(i) Packing credit loan availed from the Union Bank of India is secured by way of first paripassu charge on the entire current assets (present and future), second charge on the fixed assets, personal gurantees of all the Executive Directors of the Company and by the personal guranntee and collateral security extended by Mr. Yarlagadda Ammanna Chowdary and Goli Mankyamba during the years ended 31 March 2015, 2014 and 2013. These loans are repayable on demand and carries interest rate of LIBOR+1.1% per annum for loans denominated in US Dollars and MCLR + 0.55% per annum for loans denominated in Indian Rupees.

(ii) Others aggregating to ₹Nil (31 March 2017: ₹57.70; 31 March 2016: ₹157.01; 31 March 2015: ₹213.96; 31 March 2014: ₹205.41; 31 March 2013: ₹229.90) represents loans availed against fixed deposits with Union Bank of India carrying interest rate of (1% + interest rate on deposits) and bill discounting facility with the Union Bank of India which carries interest rate of LIBOR+1.1% per annum for loans denominated in US Dollars and MCLR + 0.80% per annum for loans denominated in Indian Rupees.

(iii) Others aggregating to ₹1,183.29 (31 March 2017: ₹1,001.76; 31 March 2016: ₹817.88; 31 March 2015: ₹363.65; 31 March 2014: ₹652.08; 31 March 2013: ₹654.30) represents loan repayable on demand from Santander Bank, USA and is secured by way of first paripassu charge on the entire current assets (present and future) of the subsidiary. The loan is further secured by the corporate guarantee extended by the Company from February 2014, earlier the guarantee was extended by the Bank. The loan carries interest at the rate of overnight LIBOR+1.625%.

(c) Trade payables

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade payables						
- others	367.22	192.36	83.32	31.21	40.30	38.51
	367.22	**192.36**	**83.32**	**31.21**	**40.30**	**38.51**

There are no micro and small enterprises to whom the Company owes dues as at the each reporting date. The micro and small enterprises have been identified by management on the basis of information available with the Company and have been relied upon by the auditors.

(d) Other financial liabilities

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Current						
Interest accrued but not due	23.79	1.95	1.99	12.84	16.50	-
Dividend payable	-	-	-	24.07	-	-
Creditor for capital goods	13.91	4.65	2.46	0.15	-	0.11
Accrued expenses	86.65	71.25	59.59	12.51	17.68	23.86
Other payables	1.04	1.04	0.71	0.18	0.16	0.08
	125.39	**78.88**	**64.75**	**49.74**	**34.34**	**24.05**

13. Provisions

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Non-current						
Provision for employee benefit obligations - Gratuity (Refer Note: 30)	1.56	10.71	7.99	6.28	3.62	3.42
	1.56	**10.71**	**7.99**	**6.28**	**3.62**	**3.42**
Current						
Provision for employee benefit obligations - Gratuity (Refer Note: 30)	-	1.10	0.91	0.73	0.48	0.42
Others	-	-	-	-	0.60	-
	-	**1.10**	**0.91**	**0.73**	**1.08**	**0.42**
	1.56	**11.81**	**8.90**	**7.01**	**4.70**	**3.84**

14. Deferred tax assets and liabilities

(a) Deferred tax liabilities, net

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deferred tax liabilities / (assets) on account of:						
Property, plant and equipment	50.29	41.48	28.40	17.55	26.93	23.19
Financial instruments measured at FVTPL	(0.20)	(3.18)	10.15	15.57	3.47	6.90
Financial instruments measured at amortised cost	170.85	173.03	161.09	151.50	106.46	87.37
Other assets	-	-	56.07	42.58	65.92	10.65
Liabilities and provisions	(10.32)	(7.81)	(3.48)	(6.71)	(5.15)	(5.83)
Others	(1.90)	(1.76)	(1.78)	(1.73)	(1.84)	(1.09)
	208.72	**201.76**	**250.45**	**218.76**	**195.79**	**121.19**

(b) Deferred tax assets, net

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deferred tax asset on account of:						
Inventories	61.64	44.43	42.44	44.16	97.65	16.77
	61.64	**44.43**	**42.44**	**44.16**	**97.65**	**16.77**

Movement in the deferred tax liabilities/(assets)

	Property, plant and equipment	FVTPL	Amortised cost	Inventories	Other assets	Liabilities and provisions	Others	Total
As at 1 April 2012	**34.91**	**(24.58)**	**42.32**	**(24.03)**	**67.67**	**(0.80)**	**(4.22)**	**91.27**
Charged/(credited)								
- to profit or loss	(11.72)	31.48	45.05	7.26	(57.02)	(4.77)	3.13	13.41
- to OCI	-	-	-	-	-	(0.26)	-	(0.26)
As at 31 March 2013	**23.19**	**6.90**	**87.37**	**(16.77)**	**10.65**	**(5.83)**	**(1.09)**	**104.42**
Charged/(credited)								
- to profit or loss	3.74	(3.43)	19.09	(80.88)	55.27	0.52	(0.75)	(6.44)
- to OCI	-	-	-	-	-	0.15	-	0.15
As at 31 March 2014	**26.93**	**3.47**	**106.46**	**(97.65)**	**65.92**	**(5.15)**	**(1.84)**	**98.14**
Charged/(credited)								
- to profit or loss	(9.38)	12.10	45.04	53.49	(23.34)	(0.88)	0.11	77.13
- to OCI	-	-	-	-	-	(0.68)	-	(0.68)
As at 31 March 2015	**17.55**	**15.57**	**151.50**	**(44.16)**	**42.58**	**(6.71)**	**(1.73)**	**174.60**
Charged/(credited)								
- to profit or loss	10.85	(5.42)	9.59	1.72	13.49	3.39	(0.05)	33.57
- to OCI	-	-	-	-	-	(0.17)	-	(0.17)
As at 31 March 2016	**28.40**	**10.15**	**161.09**	**(42.44)**	**56.07**	**(3.48)**	**(1.78)**	**208.01**
Charged/(credited)								
- to profit or loss	13.08	(13.33)	11.94	(1.98)	(56.07)	(4.06)	0.02	(50.40)
- to OCI	-	-	-	-	-	(0.26)	-	(0.26)
As at 31 March 2017	**41.48**	**(3.18)**	**173.03**	**(44.43)**	**-**	**(7.81)**	**(1.76)**	**157.33**
Charged/(credited)								
- to profit or loss	8.81	2.98	(2.18)	(17.21)	-	(2.67)	(0.14)	(10.41)
- to OCI	-	-	-	-	-	0.16	-	0.16
As at 31 December 2017	**50.29**	**(0.20)**	**170.85**	**(61.64)**	**-**	**(10.32)**	**(1.90)**	**147.08**

15. Other current liabilities

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Advance from customers	1.54	9.04	0.15	-	2.99	1.12
Balances due to government authorities	17.18	15.38	14.03	13.92	5.79	3.20
Deferred income	28.52	22.34	1.05	12.63	7.53	10.70
	47.24	**46.76**	**15.23**	**26.55**	**16.31**	**15.02**

16. Revenue from operations

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of shrimps	10,971.98	13,659.51	9,147.02	8,654.16	8,444.30	5,361.42
Sale of shrimp feed	2,768.13	1,607.54	0.83	-	-	-
Sale of power	1.35	11.60	6.86	9.67	10.53	15.41
Other operating revenue						
Export incentives	797.94	840.67	721.99	561.99	469.87	275.93
	14,539.40	**16,119.32**	**9,876.70**	**9,225.82**	**8,924.70**	**5,652.76**

Details of sale of shrimps and shrimp feed

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of manufactured products	11,006.39	12,084.11	7,719.14	8,308.80	7,769.35	4,446.13
Sale of stock-in-trade	2,733.72	3,182.95	1,428.71	345.36	674.95	915.29
	13,740.11	**15,267.05**	**9,147.85**	**8,654.16**	**8,444.30**	**5,361.42**

17. Other income

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Gain on financial instruments measured on amortised cost, net						
-Key Man insurance policies	35.15	28.69	28.39	16.69	17.54	5.73
-Interest income	6.29	22.85	27.81	27.99	29.97	34.47
Gain on financial instruments at FVTPL, net						
-Derivative financial instruments	-	26.22	-	35.12	-	96.61
-Current investments	-	-	0.72	0.50	0.74	0.46
Gain on sale of investments, net	-	11.15	10.46	0.05	-	0.01
Foreign exchange gain, net	70.58	42.47	76.67	139.81	-	-
Profit on sale of assets, net	0.11	0.88	0.71	1.16	1.49	77.29
Other income	0.23	-	0.65	1.00	-	3.84
	112.36	**132.26**	**145.42**	**222.32**	**49.74**	**218.41**

18. Cost of materials consumed (including packing materials)*

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening inventory of raw materials and packing materials	376.19	78.59	1.48	1.36	1.48	1.88
Add : Purchases	9,402.48	10,012.15	6,983.00	6,879.77	6,417.48	3,304.94
Less: Closing inventory of raw materials and packing materials	(562.54)	(376.19)	(78.59)	(1.48)	(1.36)	(1.48)
	9,216.13	**9,714.54**	**6,905.89**	**6,879.65**	**6,417.60**	**3,305.34**

*Disclosed based on derived figures, rather than actual records of issue.

19. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Inventory at the beginning of the year						
- Finished goods	1,876.10	2,074.69	1,202.56	1,065.29	746.45	840.48
- Work-in-progress	10.85	-	-	-	-	-
- Stock-in-trade	579.81	408.49	33.71	75.48	74.07	90.75
	2,466.76	**2,483.18**	**1,236.28**	**1,140.76**	**820.52**	**931.23**
Inventory at the end of the year						
- Finished goods	2,885.12	1,876.10	2,074.69	1,202.56	1,065.29	746.45
- Work-in-progress	22.07	10.85	-	-	-	-
- Stock-in-trade	606.43	579.81	408.49	33.71	75.48	74.07
	3,513.62	**2,466.76**	**2,483.18**	**1,236.28**	**1,140.76**	**820.52**
Foreign currency translation difference	(41.31)	(51.94)	94.32	55.69	81.80	57.76
	(1,088.18)	**(35.51)**	**(1,152.59)**	**(39.82)**	**(238.45)**	**168.47**

20. Employee benefits expense

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries and wages	265.80	288.87	209.52	179.88	130.09	93.96
Contribution to provident fund	12.07	11.14	7.96	4.64	2.50	2.24
Contribution to employee state insurance fund	3.64	3.40	2.17	0.82	0.62	0.58
Gratuity	2.04	1.90	1.48	0.93	0.83	0.58
Staff welfare expenses	24.26	25.19	22.52	23.53	19.64	16.40
	307.81	**330.50**	**243.65**	**209.80**	**153.68**	**113.76**

21. Finance costs

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest	54.83	68.60	30.21	32.65	59.53	51.55
Interest on income taxes	13.73	18.26	-	-	-	-
Other borrowing costs	2.92	3.57	1.14	1.06	2.00	1.43
	71.48	**90.43**	**31.35**	**33.71**	**61.53**	**52.98**

22. Other expenses

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Consumption of stores and spares	52.72	53.71	120.29	84.02	72.83	71.28
Selling and distribution expenses	121.00	96.96	63.00	44.71	54.07	47.79
Power and fuel	171.74	186.74	147.16	133.45	141.17	102.71
Rent and warehouse storage charges	133.47	151.44	112.69	78.77	67.89	62.96
Repairs and maintenance						
- Buildings	22.80	17.92	14.84	12.79	14.94	9.32
- Plant and equipment	56.95	72.84	46.62	58.61	47.94	29.08
- Others	17.25	14.56	16.42	17.66	18.68	15.01
Insurance	9.26	12.95	10.67	8.91	11.45	6.45
Peeling and processing labour charges	191.65	181.39	147.89	121.07	104.20	80.66
Foreign exchange loss, net	0.37	-	-	-	67.86	90.50
Hatchery expenses	15.02	15.78	5.72	7.46	7.35	3.80
Rates and taxes	14.02	17.78	11.41	14.81	8.70	7.13
Payment to auditors						
-Audit fee	1.13	0.15	0.05	0.05	0.03	0.03
Testing charges	8.30	4.10	3.24	2.77	1.46	1.48
Carriage and freight outward	208.57	253.28	254.62	200.55	183.41	144.35
Legal and professional charges	5.03	8.08	7.78	9.33	5.99	1.90
Wind mill expenses	1.14	2.18	2.10	2.65	1.65	2.60
Printing and stationery	3.94	3.68	1.64	0.99	1.68	1.27
Travelling and conveyance	35.52	29.16	21.11	14.82	11.02	8.25
Warehouse expense	12.25	14.76	13.09	9.78	4.23	-
Communication expenses	3.46	3.21	2.92	2.66	2.50	2.21
Corporate Social Responsibility expenditure	3.35	5.40	1.81	3.02	-	-
Net loss on financial instruments at FVTPL						
-Derivative financial instruments	15.19	-	17.22	-	11.83	-
-Investments	-	2.96	-	-	-	-
Donations	3.99	1.86	4.11	1.98	33.52	1.94
Bank charges	7.42	18.39	10.41	11.07	14.26	15.13
Miscellaneous expenditure	26.46	18.74	18.19	18.53	23.08	23.18
	1,142.01	**1,188.01**	**1,055.02**	**860.49**	**911.75**	**729.04**

23. Income tax expense

(a) Income tax expense recognised in the statement of profit and loss

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Current tax	773.84	628.27	399.91	369.79	366.15	183.74
Deferred tax	(10.82)	(50.75)	32.00	76.18	(6.27)	13.41
	763.02	**577.52**	**431.91**	**445.97**	**359.88**	**197.15**

(b) Income tax expense recognised in other comprehensive income

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Tax effect on remeasurement of post-employment benefit obligations	0.16	(0.26)	(0.17)	(0.68)	0.15	(0.26)
	0.16	**(0.26)**	**(0.17)**	**(0.68)**	**0.15**	**(0.26)**

(c) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Profit before tax	2,177.27	1,634.47	1,243.77	1,249.41	1,036.91	563.24
Enacted tax rate	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
Computed expected tax expense	**753.51**	**565.66**	**430.44**	**424.68**	**352.45**	**182.74**
Effect of:						
Impact on account of permanent differences	9.54	8.27	(1.39)	21.21	(2.85)	7.63
Income taxed at lower rate	-	(1.29)	-	-	-	(22.64)
Income exempt from income taxes	1.19	(0.91)	(0.08)	(0.01)	(0.91)	27.91
Change in enacted tax rate	-	-	4.27	-	6.49	-
Differences between Indian and Foreign tax rates	(1.12)	(2.27)	(2.49)	0.03	0.02	1.67
Others	(0.10)	8.07	1.14	0.06	4.69	(0.16)
Income tax expense for the year/period	**763.02**	**577.52**	**431.91**	**445.97**	**359.88**	**197.15**
Effective Income Tax Rate	**35.04%**	**35.33%**	**34.73%**	**35.69%**	**34.71%**	**35.00%**

24. Earnings per equity share (EPES)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net Profit available to Equity Shareholders	1,415.88	1,055.55	812.02	803.44	677.03	366.09
Weighted average number of equity shares						
Number of equity shares outstanding at the end of the period	400,000	400,000	400,000	400,000	400,000	400,000
Add : Effect of division of face value of equity shares *	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000
Add : Effect of bonus equity shares issued *	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Adjusted number of equity shares outstanding at the end of the period	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Weighted average number of equity shares	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Nominal value per equity share *	2	2	2	2	2	2
Basic and Diluted EPES (In absolute ₹)	23.60	17.59	13.53	13.39	11.28	6.10

* Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each was sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. Consequently, as required by Ind AS 33 "Earning per Share", the basic and diluted earnings per share of the previous periods presented have been recomputed and disclosed accordingly.

Note: EPES for nine months ended 31 December 2017 is not annualised.

25. Contingent liabilities and commitments

		As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a)	**Guarantee and commitments**						
	Investment commitment in Maximus ARC Limited	13.20	13.20	240.20	-	-	-
(b)	**Contingent liabilities**						
	Claims against the Company not acknowledged as debts in respect of:						
	Disputed income tax liabilities*	23.53	24.19	0.63	-	4.60	-
	Capital commitments	64.50	-	-	-	-	-
	Liability under letter of credit	-	-	19.90	15.63	15.00	2.70

* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

26. Operating lease

The Company is obligated under non-cancellable operating lease agreement for a period of 30 years for its feed plant operations. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Within one year	1.38	1.10	1.00	-	-	-
After one year but not more than five years	4.73	4.80	4.60	-	-	-
Later than five years	41.80	43.10	44.40	-	-	-
	47.90	**49.00**	**50.00**	**-**	**-**	**-**

27. Fair value measurements

(i) Fair value hierarchy

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Level 1	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Financial assets												
Investments	-	0.70	-	0.70	221.43	0.70	5.23	0.70	4.23	0.73	3.00	0.73
Derivatives	-	37.40	-	52.59	-	26.37	-	43.59	-	8.46	-	20.29

The Company does not have any financial instrument measured at fair value on recurring basis under Level 1 category.
There are no transfers between levels during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Financial instruments by category

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial assets												
Investments	0.70	493.68	0.70	499.98	222.13	465.46	5.93	445.71	4.96	313.22	3.73	269.27
Loans	-	34.55	-	31.33	-	24.39	-	17.44	-	18.11	-	13.91
Trade receivables	-	2,088.90	-	1,821.64	-	900.30	-	899.97	-	1,127.04	-	651.56
Cash and cash equivalents	-	171.92	-	436.42	-	496.11	-	179.92	-	434.35	-	145.34
Bank balances other than cash and cash equivalents	-	63.66	-	105.54	-	189.70	-	485.57	-	232.36	-	394.30
Other financial assets	37.40	24.45	52.59	108.13	26.37	113.18	43.59	3.64	8.46	28.19	20.29	26.75
Financial liabilities												
Borrowings	-	1,575.66	-	2,008.30	-	1,729.27	-	881.28	-	1,580.95	-	1,283.73
Trade payables	-	367.22	-	192.36	-	83.32	-	31.21	-	40.30	-	38.51
Other financial liabilities	-	125.39	-	78.88	-	64.75	-	49.74	-	34.34	-	24.05

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

28. Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in key man insurance policies, liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade and other receivables

The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) were past due or impaired for the periods presented.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 30 - 180 days. The aging of trade receivables that are not due and past due but not impaired is given below:

Period (in days)	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not due	1,954.28	1,283.90	884.52	881.99	1,121.68	622.45
1 – 30	81.75	1.13	-	0.31	-	0.26
31 – 90	30.70	527.52	10.25	1.68	4.89	14.26
90-180	22.14	8.19	0.06	12.27	0.09	1.80
More than 180	0.03	0.90	5.47	3.72	0.38	12.79
	2,088.90	**1,821.64**	**900.30**	**899.97**	**1,127.04**	**651.56**

28. Financial risk management (continued)

B. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Trade payables	Non-current borrowings	Current borrowings	Other financial liabilities	Total
As at 31 December 2017					
Upto 1 year	367.22	-	1,478.54	125.39	**1,971.15**
1 year to 3 years	-	0.75	-	-	**0.75**
More than 3 years	-	96.37	-	-	**96.37**
Total	**367.22**	**97.12**	**1,478.54**	**125.39**	**2,068.27**
As at 31 March 2017					
Upto 1 year	192.36	-	1,901.39	78.88	**2,172.63**
1 year to 3 years	-	0.42	-	-	**0.42**
More than 3 years	-	106.49	-	-	**106.49**
Total	**192.36**	**106.91**	**1,901.39**	**78.88**	**2,279.54**
As at 31 March 2016					
Upto 1 year	83.32	-	1,622.35	64.75	**1,770.42**
1 year to 3 years	-	-	-	-	**-**
More than 3 years	-	106.92	-	-	**106.92**
Total	**83.32**	**106.92**	**1,622.35**	**64.75**	**1,877.34**
As at 31 March 2015					
Upto 1 year	31.21	-	762.61	49.74	**843.56**
1 year to 3 years	-	-	-	-	**-**
More than 3 years	-	118.67	-	-	**118.67**
Total	**31.21**	**118.67**	**762.61**	**49.74**	**962.23**
As at 31 March 2014					
Upto 1 year	40.30	-	1,458.45	34.34	**1,533.09**
1 year to 3 years	-	-	-	-	**-**
More than 3 years	-	122.50	-	-	**122.50**
Total	**40.30**	**122.50**	**1,458.45**	**34.34**	**1,655.59**
As at 31 March 2013					
Upto 1 year	38.51	-	1,237.06	24.05	**1,299.62**
1 year to 3 years	-	-	-	-	**-**
More than 3 years	-	46.67	-	-	**46.67**
Total	**38.51**	**46.67**	**1,237.06**	**24.05**	**1,346.29**

28. Financial risk management (continued)

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

i. Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US$) and foreign currency borrowings (in US$). A significant portion of the Company's revenues are in foreign currency, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to the foreign currency, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and these foreign currency has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non derivative financial instruments to mitigate the risk of changes in foreign currency exchange rates.

Outstanding foreign exchange derivative contracts not designated as hedge: (USD in millions)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Forward Contracts - 'Sell US$, Buy ₹	USD 20.08	USD 13.65	USD 12.79	USD 37.85	USD 18.25	USD 17.75

The following table analyses foreign currency risk in US$ from non derivative financial instruments:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Assets						
Trade receivables	723.00	342.10	233.51	286.25	527.88	232.97
Cash and cash equivalents	12.91	18.47	0.49	11.62	-	-
	735.91	**360.57**	**234.00**	**297.87**	**527.88**	**232.97**
Liabilities						
Current borrowings	260.21	591.93	647.46	-	520.56	62.86
	260.21	**591.93**	**647.46**	**-**	**520.56**	**62.86**

The following table analyses foreign currency risk from non derivative financial instruments:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
₹/USD - Increase by 2%	9.51	(4.63)	(8.27)	5.96	0.15	3.40
₹/USD - Decrease by 2%	(9.51)	4.63	8.27	(5.96)	(0.15)	(3.40)

* Holding all other variables constant

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company'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. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

29. Capital management

The Company'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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Borrowings	1,575.66	2,008.30	1,729.27	881.28	1,580.95	1,283.73
Less: Cash and cash equivalents	(171.92)	(436.42)	(496.11)	(179.92)	(434.35)	(145.34)
Net debt	**1,403.74**	**1,571.88**	**1,233.16**	**701.36**	**1,146.60**	**1,138.39**
Equity share capital	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	6,196.41	4,800.00	3,773.15	2,945.65	2,144.06	1,546.92
Total equity attributable to owners	6,236.41	4,840.00	3,813.15	2,985.65	2,184.06	1,586.92
Net debt to equity ratio	**22.51%**	**32.48%**	**32.34%**	**23.49%**	**52.50%**	**71.74%**

30. Gratuity

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service upto a maximum of ₹1 million.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Future Salary rise	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Discount rate	7.69%	6.69%	7.46%	7.77%	9.19%	8.06%
Attrition rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards.

(ii) Upto 31 March 2017, the Company had an unfunded gratuity plan. As at 31 December 2017, the plan is partly funded with an insurance company in the form of a qualifying insurance policy:

(a) The components of gratuity cost recognised in the statement of profit and loss consist of the following:

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	1.12	1.49	0.94	0.54	0.53	0.33
Interest on net defined benefit liability, net	0.67	0.66	0.54	0.38	0.31	-
Gratuity cost recognised in statement of profit and loss	**1.79**	**2.15**	**1.48**	**0.92**	**0.84**	**0.33**

(b) Details of the employee benefits obligations and plan assets are provided below:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of funded obligations	13.13	-	-	-	-	-
Fair value of plan assets	11.57	-	-	-	-	-
Net defined benefit liability of funded plan	**1.56**	**-**	**-**	**-**	**-**	**-**
Unfunded plan	-	11.81	8.90	7.01	4.10	3.84
Net defined benefit liability recognised	**1.56**	**11.81**	**8.90**	**7.01**	**4.10**	**3.84**

(c) Details of changes in the present value of defined benefit obligations are as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligations at the beginning of the year	11.81	8.90	7.01	4.10	3.84	2.72
Current service cost	1.12	1.49	0.94	0.54	0.53	0.33
Interest on net defined benefit liability, net	0.67	0.66	0.54	0.38	0.31	-
Remeasurement - actuarial (gain)/loss on obligation						
Due to financial assumption	0.14	0.77	0.24	0.79	(0.41)	-
Due to experience	(0.61)	(0.01)	0.17	1.20	(0.17)	0.79
Defined benefit obligations at the end of the year / period	**13.13**	**11.81**	**8.90**	**7.01**	**4.10**	**3.84**

(d) Details of fair value of plan assets are as follows:

	As at 31 December 2017
At the beginning of the year	-
Return on plan assets	(0.20)
Interest income	0.33
Contributions by employer	11.43
Fair Value of Plan Assets at end of the period	**11.57**

(iii) Sensitivity analysis

Details of the present value of defined benefit obligation in case of changes in the below assumptions:

	Discount rate*		Future salary*	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31 December 2017	12.17	14.22	14.17	12.20
As at 31 March 2017	10.57	12.71	12.64	10.61
As at 31 March 2016	8.17	9.75	9.70	8.19
As at 31 March 2015	6.44	7.68	7.64	6.45
As at 31 March 2014	3.79	4.45	4.44	3.79
As at 31 March 2013	3.53	4.21	4.19	3.54

* Holding all other variables constant

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The expected future cash outflows in respect of defined benefit obligations were as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Expected outgo first	1.79	1.10	0.91	0.73	0.48	0.42
Expected outgo second	1.44	1.10	0.91	0.73	0.48	0.42
Expected outgo third	1.45	1.14	0.92	0.73	0.48	0.42
Expected outgo fourth	1.44	1.10	0.95	0.73	0.48	0.42
Expected outgo fifth	1.77	1.21	0.92	0.76	0.48	0.42
Thereafter	5.24	6.15	4.29	3.33	1.70	1.74

31. Related party disclosures

(a) **Names of the related parties and nature of relationship (as per Ind AS 24)**

Names of related parties	Nature of relationship
P Brahmanandam	Key management personnel ("KMP")
K.A. John	
G. Sambasiva Rao	
P. Suryavathi	
P. Rama Devi	
P. Naveena	
A. Sreeram	Subsidiary Company
Maximus ARC Limited (with effect from 23 March 2015)	Associate Company

(b) **Transactions with related parties**

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Transactions with KMP						
Purchase of Land						
P. Rama Devi	-	3.15	-	-	-	-
P. Naveena	-	7.11	-	-	-	-
Rent						
P. Suryavathi	0.60	0.60	-	-	-	-
Purchase of Raw Material						
P Brahmanandam	-	-	-	3.17	3.68	-
Managerial remuneration*						
P Brahmanandam	57.50	45.00	30.00	29.40	14.40	14.40
K.A. John	2.70	3.60	3.60	3.39	0.95	0.85
G. Sambasiva Rao	11.70	6.00	6.00	5.80	4.80	1.80
P. Suryavathi	5.40	7.20	7.20	6.60	3.60	3.60
P. Rama Devi	17.26	23.01	9.90	9.60	6.60	3.60
P. Naveena	17.24	22.99	9.90	9.60	6.60	3.60
A. Sreeram	13.52	23.87	19.64	18.34	15.12	6.81
Maximus ARC Limited						
Investment in equity shares	-	227.00	-	9.80	-	-

(c) **Balances receivable/(payable)**

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
KMPs	-	(20.22)	(0.10)	-	(6.22)	(5.53)

*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits'. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

32. Segment Reporting

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and operating profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment. The Managing Director is the CODM of the Company.

The Company's reportable operating segments are as follows:

- Shrimp
- Shrimp Feed
- Others

Shrimp: This segment consists of the Company's business of processing and marketing of the shrimps purchased from the farmers and exporting to various countries

Shrimp Feed: This segment consists of manufacturing and marketing of shrimp feed to grow the shrimp

Others: This segment includes operations of power generation from wind mill

32. Segment Reporting (continued)

The measurement of each segment's revenues, expenses is consistent with the accounting policies that are used in preparation of the Company's consolidated financial statements.

Reportable Segments	For the nine months ended 31 December 2017				
	Shrimp	Shrimp Feeds	Others	Eliminations	Total
Revenue from operations	11,769.92	2,825.21	1.35	(57.08)	14,539.40
Operating profit	1,452.51	694.46	(3.24)		2,143.73
Less: Other unallocable expense/ (income), net					(33.54)
Profit before tax					**2,177.27**
Tax expense					763.02
Profit after tax					**1,414.25**
Add: Share of profit of equity accounted investees, net of tax					1.63
Profit for the year					**1,415.88**

Reportable Segments	For the year ended 31 March 2017				
	Shrimp	Shrimp Feeds	Others	Eliminations	Total
Revenue from operations	14,500.18	1,671.90	11.60	(64.36)	16,119.32
Operating profit	1,385.96	211.31	2.63		1,599.90
Less: Other unallocable expense/ (income), net					(34.57)
Profit before tax					**1,634.47**
Tax expense					577.52
Profit after tax					**1,056.95**
Add: Share of profit of equity accounted investees, net of tax					(1.40)
Profit for the year					**1,055.55**

For the years ended 31 March 2016, 2015, 2014 and 2013, the Company's operations were predominantly related to the processing and marketing of Shrimps. As such there was only one primary reportable segment as per IND AS 108 "Operating Segments" during the aforesaid years.

Analysis of revenue by geography:

The following table shows the distribution of the Company's revenues (excluding other operating income) based on the location of the customers:

Country	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
India	2,783.70	1,645.89	25.85	33.59	27.11	36.10
USA	9,849.61	12,724.66	8,211.65	7,378.53	7,335.70	4,466.38
Rest of the world	1,108.15	908.10	917.21	1,251.71	1,092.02	874.35
Total	**13,741.46**	**15,278.65**	**9,154.71**	**8,663.83**	**8,454.83**	**5,376.83**

Analysis of assets by geography:

The following table shows the distribution of the Company's non current assets (other than financial assets and deferred tax assets) by country, based on the location of assets:

Country	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
India	1,529.42	1,252.98	757.02	577.01	492.84	493.01
USA	0.14	0.11	0.16	0.11	0.09	0.08
Total	**1,529.56**	**1,253.09**	**757.18**	**577.12**	**492.93**	**493.09**

Information about major customers:

Country	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from significant customers	6,909.42	8,781.36	6,433.03	6,341.51	5,930.37	4,662.81
Number of customers	2	2	2	2	2	3
% of Revenue from segment more significant customers	47.52%	54.48%	65.13%	68.74%	66.45%	82.49%

Devi Sea Foods Limited
Annexure VI: Notes to the Restated Ind AS Consolidated Financial Information
(All amounts in ₹ million, except share data and where otherwise stated)

33. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

	As at 31 December 2017		For the nine months ended 31 December 2017		As at 31 March 2017		For the year ended 31 March 2017		As at 31 March 2016		For the year ended 31 March 2016		As at 31 March 2015		For the year ended 31 March 2015		As at 31 March 2014		For the year ended 31 March 2014		As at 31 March 2013		For the year ended 31 March 2013	
	Net assets (Total assets - Total liabilities)		Share in total comprehensive income		Net assets (Total assets - Total liabilities)		Share in total comprehensive income		Net assets (Total assets - Total liabilities)		Share in total comprehensive income		Net assets (Total assets - Total liabilities)		Share in total comprehensive income		Net assets (Total assets - Total liabilities)		Share in total comprehensive income		Net assets (Total assets - Total liabilities)		Share in total comprehensive income	
	As % of consolidated net assets	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**	**As % of consolidated net assets**	**Amount**	**As % of consolidated loss**	**Amount**
Parent	83%	5,150.59	93%	1,298.54	80%	3,856.86	79%	814.77	80%	3,042.09	64%	543.70	84%	2,522.46	73%	601.68	89%	1,944.85	82%	563.05	93%	1,475.40	80%	295.35
Subsidiaries																								
Indian																								
Devee Power Ventures Private Limited	0.00%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0.24%	7.10	0%	-	0.33%	7.10	0%	-	0.45%	7.10	0%	-
USA																								
Devi Sea Foods Inc.	19.12%	1,192.12	9%	124.58	22%	1,082.52	21%	217.10	23%	893.62	27%	231.41	21%	622.41	16%	134.72	21%	464.16	43%	299.85	10%	151.02	15%	54.97
Associate (Investment as per equity method)																								
Maximus ARC Limited	3.80%	236.80	0.12%	1.63	4.89%	236.80	-0.14%	(1.40)	0.26%	9.80	0.02%	0.16	0.33%	9.80	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.06%	1.72	0.00%	-	0.08%	1.72	0.00%	-	0.11%	1.72	0.00%	-
Total	106%	6,579.51	102%	1,424.74	107%	5,176.18	100%	1,030.47	103%	3,945.51	91%	775.27	106%	3,163.49	89%	736.40	111%	2,417.83	125%	862.90	103%	1,635.25	94%	350.32
Consolidation adjustments	-5.50%	(343.10)	-2%	(23.52)	-6.95%	(336.18)	-0.35%	(3.61)	-3.47%	(132.36)	8.96%	76.30	-5.96%	(177.84)	10.81%	89.26	-10.70%	(233.77)	-24.92%	(172.16)	-3.05%	(48.33)	5.57%	20.65
Net amount	**100%**	**6,236.41**	**100%**	**1,401.22**	**100%**	**4,840.00**	**100%**	**1,026.85**	**100%**	**3,813.15**	**100%**	**851.57**	**100%**	**2,985.65**	**100%**	**825.66**	**100%**	**2,184.06**	**100%**	**690.74**	**100%**	**1,586.92**	**100%**	**370.97**

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Act.

34. First-time adoption of Ind-AS

These Restated Ind AS Consolidated Financial Information, are the first time, the Company has prepared its financial statements in accordance with Ind AS, only for the purpose of its inclusion in the Offer Document. For the purpose of transition from Indian GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from 1 April 2012 ("transition date").

A. Exemptions and exceptions availed

(a) Ind AS optional exemptions

(i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment 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. Accordingly, the Company has elected to measure all of its property, plant and equipment at their Indian GAAP carrying value.

(iii) Investment in subsidiary and associate

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in subsidiaries, joint ventures and associates 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. Accordingly, the Company has elected to measure its investment in subsidiary and associate at their Indian GAAP carrying value.

(b) Ind AS mandatory exceptions

(i) 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 Indian 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 1 April 2012 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:
-Investment in equity instruments carried at FVTPL; and
-Impairment of financial assets based on expected credit loss model.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Summarized below are the adjustments made to the IGAAP Audited Consolidated Financial Statements for the nine months ended 31 December 2017, and for the yeasr ended 31 March 2017, 2016 and their impact on the equity and profit of the Company as reported under Ind AS. The Company has prepared Consolidated Financial Statements for the years ended 31 March 2015, 2014 and 2013 under Ind AS for the purpose of inclusion in the Offer Document as there was no requirement under the erstwhile Companies Act, 1956 for preparation of Consolidated Financial Statements for these financial years.

(c) Reconciliation of equity as reported under Indian GAAP and that computed under Ind AS

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016
Equity as per Indian GAAP	**5,829.12**	**4,430.61**	**3,299.75**
A. Impact of prior period adjustment			
Effect of measuring investments at amortised cost	302.58	344.03	338.20
Effect of recognition of export incentive income on accrual basis	-	-	162.00
Effect of remeasurement of post-employment benefit obligations	-	(0.06)	(8.90)
Effect of valuation of finished goods of subsidiary at weighted average cost	-	15.72	(35.93)
Effect of elimination of unrealized profit from inter-group transactions	-	-	35.92
Tax impact on account of above adjustment	(104.72)	(124.39)	(170.03)
	197.86	235.30	321.27
B. Impact of Ind-AS adjustments			
Effect of measuring derivative instruments at FVTPL	(0.59)	(9.19)	26.37
Effect of measuring investments at FVTPL	-	-	2.96
Effect of measuring investments at amortised cost	191.10	155.95	127.26
Effect of accounting government assistance related to assets, net	54.35	38.38	41.24
Impact on current and deferred taxes	(38.26)	(13.09)	(5.68)
Others	2.83	2.04	(0.02)
	209.43	174.09	192.13
Equity as per retated IND AS	**6,236.41**	**4,840.00**	**3,813.15**

(d) Reconciliation between financial results as reported under Indian GAAP and Ind AS

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit after tax as per Indian GAAP	**1,420.60**	**1,149.44**	**529.65**
A. Impact of prior period adjustment			
Effect of measuring investments at amortised cost	(41.45)	5.83	(8.63)
Effect of recognition of export incentive income on accrual basis	-	(162.00)	36.72
Effect of remeasurement of post-employment benefit obligations	-	9.60	(1.48)
Effect of valuation of finished goods of subsidiary at weighted average cost	(16.26)	51.64	60.83
Effect of elimination of unrealized profit from inter-group transactions	-	(35.92)	197.29
Tax impact on account of above adjustment	19.67	45.64	(96.97)
	(38.04)	(85.21)	187.76
B. Impact of Ind-AS adjustments			
Effect of measuring derivative instruments at FVTPL	8.60	(35.56)	(17.22)
Effect of measuring investments at FVTPL	-	(2.96)	0.72
Effect of measuring investments at amortised cost	35.15	28.69	28.38
Effect of accounting government assistance related to assets	15.97	(2.85)	31.34
Effect of foreign currency translation adjustments classified through OCI	(14.97)	(28.20)	39.79
Impact on current and deferred taxes	(24.85)	1.13	50.88
Others	(1.24)	2.36	0.26
	18.66	(37.38)	134.16
Total comprehensive income for the year under Ind AS	**1,401.22**	**1,026.85**	**851.57**

(e) Notes to first-time adoption:

1 Derivatives not designated as hedging instruments

Under the Indian GAAP, the Company applied the requirements of "Accounting Standard 11 - The effects of changes in foreign exchange rates", to account for foreign currency forward contracts. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss.

2 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12, has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

3 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As per the management's assessment, due to ECL model, there is no impact on the allowance for doubtful debts.

4 Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under Indian GAAP, these transaction costs incurred in connection with borrowings are amortised and charged to profit or loss thereon over the period of borrowings. The management assesses that there is no material impact on the total equity and profit for the periods on account of the aforesaid transition.

5 Proposed dividend (including dividend distribution tax)

Under the Indian GAAP till 31 March 2016, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) included under short-term provisions has been de-recognised against retained earnings. Consequently, the total equity increased by an equivalent amount.

6 Remeasurement of post-employment benefit obligations

Under Indian GAAP till 31 March 2016, the Company has recognized gratuity expense on payment basis. For the purpose of the Restated Ind AS Consolidated Financial Information, the said prior period item has been appropriately adjusted in the respective financial year to which they relate. Further under Ind AS, remeasurement 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 Indian GAAP, this remeasurement was forming part of the profit or loss for the year ended 31 March 2017.

7 Retained earnings

Retained earnings as at 1 April 2012 has been adjusted consequent to the above Ind AS transition adjustments.

8 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans and foreign currency translation adjustments. The concept of other comprehensive income did not exist under Indian GAAP.

9 Key-man Insurance policies

Under Indian GAAP, the Company has charged-off to the statement of profit and loss premium payments made under the key man insurance policies. Concurrently, receipts received under the key man insurance policies were recognized as income instead of adjusting against the carrying value of Investment, after recognition of proportionate income. For the purpose of these Restated Ind AS Consolidated Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate. Further, under Ind-AS, investment in key man insurance policies is measured at amortized cost using the effective interest rate.

10 Export incentive income

The Company till the year ending 31 March 2016, has recognized income from export incentives on receipt basis. For the purpose of these Restated Ind AS Consolidated Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate.

11 Export Promotion Credit Guarantee

Under Ind AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Company, therefore, recorded an adjustment to measure such property, plant and equipment in accordance with Ind AS 16. Under Indian GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets.

12 Inventories

(i) Under Indian GAAP, the Company has measured the inventory of holding company at weighted average method and of subsidiary at first in first out method. For the purpose of these Restated Ind AS Consolidated Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate.

(ii) Under Indian GAAP for the year ended 31 March 2016, the Company has recorded unrealised profit from inter-group transactions in the closing inventory without adjusting for the unrealized profit on the opening stock of inventory. For the purpose of these Restated Ind AS Consolidated Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate.

13 Impact of Ind AS adoption on the Statement of Cash Flows

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
Net cash generated from/(used in) operating activities (A)			
As per IGAAP	453.24	(56.79)	(149.76)
Adjustments on transition to Ind AS	(62.94)	45.62	(39.62)
As per Ind AS	390.30	(11.17)	(189.38)
Net cash generated from/(used in) investing activities (B)			
As per IGAAP	(222.95)	(248.27)	(293.07)
Adjustments on transition to Ind AS	42.25	(12.45)	66.08
As per Ind AS	(180.70)	(260.72)	(226.99)
Net cash generate from/(used in) financing activities (C)			
As per IGAAP	(495.30)	247.20	768.60
Adjustments on transition to Ind AS	22.78	(33.16)	(39.74)
As per Ind AS	(472.52)	214.04	728.86
Net increase/(decrease) in cash and cash equivalents (A+B+C)			
As per IGAAP	(265.01)	(57.85)	325.78
Adjustments on transition to Ind AS	2.09	-	(13.29)
As per Ind AS	(262.92)	(57.85)	312.49
Effect of exchange rate changes on cash and cash equivalents			
As per IGAAP	-	-	-
Adjustments on transition to Ind AS	(1.58)	(1.84)	3.70
As per Ind AS	(1.58)	(1.84)	3.70
Cash and cash equivalents at the beginning of the year			
As per IGAAP	436.93	494.78	169.00
Adjustments on transition to Ind AS	(0.51)	1.33	10.92
As per Ind AS	436.42	496.11	179.92
Cash and cash equivalents as at the end of the year			
As per IGAAP	171.92	436.93	494.78
Adjustments on transition to Ind AS	-	(0.51)	1.33
As per Ind AS	171.92	436.42	496.11

14 In accordance with the Companies (Indian Accounting Standards) Rules, 2015 dated 16 Feb 2015, the Company is required to prepare its Annual Consolidated Financial Statements for the year ended 31 March 2018, with the comparitives for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 (date of transition - 1 April 2016). Accordingly, the amounts and figures included in these Restated Ind AS Consolidated Financial Information (with date of transition - 1 April 2012) for the nine months ended 31 December 2017, year ended 31 March 2017 and balances as at 31 March 2016 may vary from the Annual Consolidated Financial Statements of the Company for the year ended 31 March 2018 on account of difference in the date of transition under Ind AS viz 1 April 2012 vs. 1 April 2016.

Devi Sea Foods Limited
Annexure VII: Statement of Adjustments to IGAAP Audited Consolidated Financial Statements
(All amounts in ₹ million, except share data and where otherwise stated)

Summarized below are the restatement adjustments made to the IGAAP Audited Consolidated Financial Statements for the nine months ended 31 December 2017, and for the years ended 31 March 2017, 2016 and their impact on the profit of the Company. The Company has prepared Consolidated Financial Statements for the years ended 31 March 2015, 2014 and 2013 under Ind AS for the purpose of inclusion in the Offer Document as there was no requirement under the erstwhile Companies Act, 1956 for preparation of Consolidated Financial Statements for these financial years.

		Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016
A	**Net profit after tax as per Indian GAAP**		**1,420.60**	**1,149.44**	**529.65**
(a)	**Impact of prior period adjustment**				
	Effect of measuring investments at amortised cost		(41.45)	5.83	(8.63)
	Effect of recognition of export incentive income on accrual basis		-	(162.00)	36.72
	Effect of remeasurement of post-employment benefit obligations		-	9.60	(1.48)
	Effect of valuation of finished goods of subsidiary at weighted average cost		(16.26)	51.64	60.83
	Effect of elimination of unrealized profit from inter-group transactions		-	(35.92)	197.29
	Tax impact on account of above adjustment		19.67	45.64	(96.97)
			(38.04)	(85.21)	187.76
(b)	**Impact of Ind-AS adjustments**				
	Effect of measuring derivative instruments at FVTPL		8.60	(35.56)	(17.22)
	Effect of measuring investments at FVTPL		-	(2.96)	0.72
	Effect of measuring investments at amortised cost		35.15	28.69	28.38
	Effect of accounting government assistance related to assets		15.97	(2.85)	31.34
	Effect of foreign currency translation adjustments classified through OCI		(14.97)	(28.20)	39.79
	Impact on current and deferred taxes		(24.85)	1.13	50.88
	Others		(1.24)	2.36	0.26
			18.66	(37.38)	134.16
B	**Total comprehensive income as per the Restated Ind AS Consolidated Financial Information**		**1,401.22**	**1,026.85**	**851.57**

C Material regroupings:

Appropriate adjustments have been made in the Restated Ind AS Consolidated Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the requirements of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) and as per Ind AS as notified under section 133 of the Act.

Devi Sea Foods Limited

Annexure VII: Statement of Adjustments to IGAAP Audited Consolidated Financial Statements

(All amounts in ₹ million, except share data and where otherwise stated)

D Adjustments for audit qualifications :

(a) There are no audit qualifications in any of the reported financials of the Group

(b) Modifications in the auditor's report and statements/comments included in the auditor's report on the audited financial statements of the Company for the years ended 31 March 2017, 31 March 2016 which do not require any corrective adjustments in the Restated Ind AS Consolidated Financial Information are as follows:

For the financial year ended 31 March 2017:

(i) On the basis of the written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, except the director mentioned below none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act. Devaram Balaramy Ravireddy (DIN: 00175559) director of the Company, intimated to the Board of Directors that, he was disqualified from being continuing as director as on 31 March, 2017 under section 164 (2) clause (a) of the Act. The aforesaid director has ceased to hold the office w.e.f 25 August 2017.

(ii) According to the information and explanations given to us, details of disputed, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31 March 2017 on account of any dispute are given below:

Statute	Nature of dues	Amount involved	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	24.19	FY 2012-13	CIT (appeals), Visakhapatnam

(iii) **Emphasis of matter for the nine months ended 31 December 2017**

We draw attention to a note to the Consolidated Interim Ind AS Financial Statements, which inter-alia describes the basis of accounting, and explanation regarding interim financial statements being prepared without comparative information, as required under Ind-AS 34 "Interim Financial Reporting". It has no impact on the interim financial information. Our opinion is not modified in respect of this matter.

E Reconciliation of Retained earnings as at 1 April 2012

	As at 1 April 2012
Equity as per Indian GAAP	1,074.42
A. Impact of prior period adjustment	
Effect of measuring investments at amortised cost	71.53
Effect of recognition of export incentive income on accrual basis	208.58
Effect of remeasurement of post-employment benefit obligations	(2.48)
Tax impact on account of above adjustment	(90.08)
	187.55
B. Impact of Ind-AS adjustments	
Effect of measuring derivative instruments at FVTPL	(76.32)
Effect of measuring investments at FVTPL	0.54
Effect of measuring investments at amortised cost	58.92
Effect of accounting government assistance related to assets, net	(0.53)
Impact on current and deferred taxes	(25.22)
Others	(1.70)
	(44.30)
Equity as per Ind-AS	**1,217.67**

Devi Sea Foods Limited
Annexure VIII - Restated Consolidated Statement of Other Income
(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	Nature (Recurring/ Non-recurring)	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Gain on financial instruments measured on amortised cost, net							
-Key Man insurance policies	Recurring	35.15	28.69	28.39	16.69	17.54	5.73
-Interest income	Recurring	6.29	22.85	27.81	27.99	29.97	34.47
Gain on financial instruments at FVTPL, net							
-Derivative financial instruments	Recurring	-	26.22	-	35.12	-	96.61
-Current investments	Non-recurring	-	-	0.72	0.50	0.74	0.46
Gain on sale of investments, net	Non-recurring	-	11.15	10.46	0.05	-	0.01
Foreign exchange gain, net	Recurring	70.58	42.47	76.67	139.81	-	-
Profit on sale of assets, net	Non-recurring	0.11	0.88	0.71	1.16	1.49	77.29
Other income	Non-recurring	0.23	-	0.65	1.00	-	3.84
		112.36	**132.26**	**145.42**	**222.32**	**49.74**	**218.41**

Devi Sea Foods Limited
Annexure IX - Restated Consolidated Statement of Accounting Ratios
(All amounts in ₹ million, except share data and where otherwise stated)

S.No	Particulars	For the nine months ended 31 December 2017#	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
	Net Profit available to equity shareholders	1,415.88	1,055.55	812.02	803.44	677.03	366.09
	Total outstanding shares at the end of the period (Refer note 6 below)	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
	Weighted average number of equity shares (Refer note 6 below)	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
	Net Worth for equity shareholders	6,236.41	4,840.00	3,813.15	2,985.65	2,184.06	1,586.92
	Face value (₹)	2.00	2.00	2.00	2.00	2.00	2.00
	Accounting Ratios:						
i.	Earnings per share (Refer note 6 below)						
	-Basic and Diluted Earnings per Share **[in absolute ₹]**	23.60	17.59	13.53	13.39	11.28	6.10
ii.	Return on Net Worth for Equity Shareholders	22.70%	21.81%	21.30%	26.91%	31.00%	23.07%
iii.	Net Asset Value Per Share **[in absolute ₹]**	103.94	80.67	63.55	49.76	36.40	26.45

Not annualised

Note:

1 The ratio has been computed as below:

Basic and diluted earnings per share (₹) = $\frac{\text{Net Profit available to equity shareholders}}{\text{Weighted average number of equity shares}}$

Return on net worth (%) = $\frac{\text{Net Profit available to equity shareholders}}{\text{Net Worth for equity shareholders}}$

Net asset value per share (₹) = $\frac{\text{Net Worth for equity shareholders}}{\text{Total number of equity shares outstanding at end of the period}}$

2 Earning per equity share (EPES) calculation is in accordance with the notified Indian Accounting Standard 33 'Earnings per share' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

3 The amounts disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Company.

4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

5 Net worth means the aggregate value of the paid up share capital of the Company and other equity as per the Restated Consolidated Statement of Assets and Liabilities of the Company.

6 Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each was sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. Consequently, as required by Ind AS 33 "Earning per Share", the basic and diluted earnings per share of the previous periods presented have been recomputed and disclosed accordingly.

Devi Sea Foods Limited

Annexure X - Restated Consolidated Statement of Capitalisation

(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	Pre-issue as at 31 December 2017
Debt:	
Long-term debt **(A)**	97.12
Short-term debt	1,478.54
Total debt (B)	**1,575.66**
Shareholders Funds:	
Equity share capital	40.00
Other equity	6,196.41
Total shareholders funds (C)	**6,236.41**
Long-term debt / Shareholder's fund **(A/C)**	**0.02**
Total debt / Shareholder's fund **(B/C)**	**0.25**

Notes:

1) The above ratios has been computed on the basis of the Restated Consolidated Statement of Assets and Liabilities

2) The Company is proposing an initial public offering through offer for sale. Hence there will be no change in the shareholders' funds post issue.

3) Subsequent to 31 December 2017, the Company has split its equity shares of ₹100 each into 50 equity shares of ₹2 each. Further the Company has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. There will be no change in the shareholders' funds, on account of said capital restructuring.

Devi Sea Foods Limited

Annexure XI: Restated Consolidated Statement of Dividend

(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Equity shares						
Number of shares	400,000	400,000	400,000	400,000	400,000	400,000
Face value (₹)	100.00	100.00	100.00	100.00	100.00	100.00
Amount	40.00	40.00	40.00	40.00	40.00	40.00
Final Dividend						
Rate of dividend (%)	-	10%	-		-	200%
Dividend per share (₹)	-	10.00	-		-	200.00
Dividend Paid (₹)	-	4.00	-		-	80.00
Tax on distributed profits (₹)	-	0.81	-		-	13.60
Interim dividend						
Rate of dividend (%)	-	-	50%	50%	-	-
Dividend per share (₹)	-	-	50.00	50.00	-	-
Dividend Paid (₹)	-	-	20.00	20.00	-	-
Tax on distributed profits (₹)	-	-	4.07	4.07	-	-

Independent Auditor's Report on Restated Ind AS Standalone Financial Information

The Board of Directors
Devi Sea Foods Limited
Regd. Office: D.No. 50-1-51/1,
A.S.R. Nagar, Seethammadhara
Visakhapatnam – 530013

Dear Sirs,

1. We have examined the attached **Restated Ind AS Standalone Financial Information** of **Devi 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 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 12 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 23 February 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 & 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 23 February 2018 submitted by them. M/s. Pendyala & 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 & 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 the Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII of the Restated Ind AS Standalone Financial Information.

   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 & 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 the Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII of the Restated Ind AS Standalone Financial Information.

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 & 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 the Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII of the Restated Ind AS Standalone Financial Information.

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 & 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 the Statement of Adjustments to the IGAAP Audited Standalone Financial Statements appearing in Annexure VII of the Restated Ind AS Standalone Financial Information.

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 & 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 23 February 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 these information have been included based upon the reports submitted by previous auditor, M/s. Pendyala & 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) Statement of Adjustments to IGAAP Audited Standalone Financial Statements as enclosed in Annexure VII;

   (iv) Restated Standalone Statement of Other Income, as enclosed in Annexure VIII;

   (v) Restated Standalone Statement of Accounting Ratios, as enclosed in Annexure IX;

(vi) Restated Standalone Statement of Capitalisation, as enclosed in Annexure X;

(vii) Restated Standalone Statement of Dividend, as enclosed in Annexure XI;

(viii) Restated Standalone Statement of Tax Shelter, as enclosed in Annexure XII.

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 & 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 XII, 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 of the Company 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 Number: 15002S

J. VENKATESWARLU
Partner
Membership Number: 22481

Visakhapatnam
23 February 2018

Devi Sea Foods Limited
Annexure I: Restated Standalone Statement of Assets and Liabilities
(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
ASSETS							
Non-current assets							
Property, plant and equipment	5(a)	990.48	950.60	689.51	458.39	423.00	384.86
Capital work-in-progress	5(b)	221.25	1.07	-	0.33	9.09	2.59
Intangible assets	5(c)	0.15	0.28	-	-	-	-
Financial assets							
-Investments	6(a)	769.72	776.02	495.81	481.44	339.18	283.47
-Loans	6(c)	34.45	31.22	24.28	17.34	17.86	13.68
-Other financial assets	6(g)	24.45	107.54	112.71	3.22	27.53	25.41
Other non-current assets	7	79.93	65.45	57.63	102.34	54.58	99.37
Total non-current assets		**2,120.42**	**1,932.18**	**1,379.94**	**1,063.06**	**871.24**	**809.38**
Current assets							
Inventories	8	899.82	692.09	369.44	76.99	104.23	61.26
Financial assets							
-Investments	6(b)	-	-	221.43	5.23	4.23	3.00
-Trade receivables	6(d)	3,009.46	2,071.11	1,628.04	1,334.56	1,502.73	712.56
-Cash and cash equivalents	6(e)	58.13	328.14	326.96	136.96	244.69	106.68
-Bank balances other than cash and cash equivalents	6(f)	63.66	105.54	189.70	485.57	232.36	394.30
-Other financial assets	6(g)	37.40	53.18	26.84	44.01	9.12	21.63
Other current assets	9	167.97	345.27	193.23	261.77	224.83	197.79
Total current assets		**4,236.44**	**3,595.33**	**2,955.64**	**2,345.09**	**2,322.19**	**1,497.22**
Total assets		**6,356.86**	**5,527.51**	**4,335.58**	**3,408.15**	**3,193.43**	**2,306.60**

Devi Sea Foods Limited

Annexure I: Restated Standalone Statement of Assets and Liabilities

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	10	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	11	5,110.59	3,816.86	3,002.09	2,482.46	1,904.85	1,435.40
Total equity		**5,150.59**	**3,856.86**	**3,042.09**	**2,522.46**	**1,944.85**	**1,475.40**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
-Borrowings	12(a)	97.12	106.91	106.92	118.67	122.50	46.67
Provisions	13	1.56	10.71	7.99	6.28	3.62	3.42
Deferred tax liabilities (net)	14	208.85	201.76	250.45	218.76	195.90	121.19
Total non-current liabilities		**307.53**	**319.38**	**365.36**	**343.71**	**322.02**	**171.28**
Current liabilities							
Financial liabilities							
-Borrowings	12(b)	295.25	899.63	804.47	398.96	806.37	582.76
-Trade payables	12(c)	243.95	170.02	53.75	52.40	34.38	30.47
-Other financial liabilities	12(d)	132.48	90.99	63.72	55.86	40.82	21.25
Other current liabilities	15	37.65	37.03	5.28	14.03	13.91	15.02
Provisions	13	-	1.10	0.91	0.73	1.08	0.42
Current tax liabilities (net)		189.41	152.50	-	20.00	30.00	10.00
Total current liabilities		**898.74**	**1,351.27**	**928.13**	**541.98**	**926.56**	**659.92**
Total liabilities		**1,206.27**	**1,670.65**	**1,293.49**	**885.69**	**1,248.58**	**831.20**
Total equity and liabilities		**6,356.86**	**5,527.51**	**4,335.58**	**3,408.15**	**3,193.43**	**2,306.60**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Assets and Liabilities referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors of
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

Devi Sea Foods Limited

Annexure II: Restated Standalone Statement of Profit and Loss

(All amounts in ₹ million, except share data and where otherwise stated)

	Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from operations	16	12,468.36	12,200.49	8,523.86	8,585.78	8,085.78	4,322.21
Other income	17	117.41	137.89	149.31	224.71	50.13	218.41
Total income		**12,585.77**	**12,338.38**	**8,673.17**	**8,810.49**	**8,135.91**	**4,540.62**
Expenses							
Cost of materials consumed	18	9,216.13	9,670.93	6,865.31	6,857.64	6,326.86	3,286.83
Changes in inventories of finished goods and work-in-progress	19	(19.18)	(21.16)	(214.89)	27.31	(43.24)	31.40
Employee benefits expense	20	273.63	277.50	201.10	171.28	120.41	90.89
Finance costs	21	54.71	72.32	18.26	22.09	41.57	22.49
Depreciation and amortisation expense		116.70	126.00	90.15	89.37	55.64	49.93
Other expenses	22	945.59	946.49	873.69	722.30	762.01	603.26
Total expenses		**10,587.58**	**11,072.08**	**7,833.62**	**7,889.99**	**7,263.25**	**4,084.80**
Profit before tax		1,998.19	1,266.30	839.55	920.50	872.66	455.82
Tax expense	23						
Current tax		693.22	499.46	263.75	293.97	235.48	153.79
Deferred tax		6.74	(48.43)	31.86	23.54	74.56	6.15
Profit for the year		**1,298.23**	**815.27**	**543.94**	**602.99**	**562.62**	**295.88**
Other comprehensive income (OCI)							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit obligation		0.47	(0.76)	(0.41)	(1.99)	0.58	(0.79)
Income tax relating to these items		(0.16)	0.26	0.17	0.68	(0.15)	0.26
Other comprehensive income/(loss) for the period / year		**0.31**	**(0.50)**	**(0.24)**	**(1.31)**	**0.43**	**(0.53)**
Total comprehensive income for the period / year		**1,298.54**	**814.77**	**543.70**	**601.68**	**563.05**	**295.35**
Earnings per equity share [EPES] [in absolute ₹]	24						
Nominal value per equity share		2	2	2	2	2	2
Basic and Diluted EPES		21.64	13.59	9.07	10.05	9.38	4.93

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Profit and Loss referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors of
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

Devi Sea Foods Limited

Annexure III: Restated Standalone Statement of Cash Flows

(All amounts in ₹ million, except share data and where otherwise stated)

		For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities							
Profit before tax		**1,998.19**	**1,266.30**	**839.55**	**920.50**	**872.66**	**455.82**
Adjustments for:							
Depreciation and amortisation expense		116.70	126.00	90.15	89.37	55.64	49.93
Finance cost		54.71	72.32	18.26	22.09	41.57	22.49
Interest income		(5.70)	(22.97)	(27.86)	(25.92)	(29.29)	(26.23)
Net (gain)/loss on financial instruments at FVTPL		15.19	(23.26)	16.50	(35.62)	11.09	(97.07)
Gain on sale of investments, net		-	(11.15)	(10.46)	(0.05)	-	(0.01)
Guarantee fee income		(5.05)	(5.63)	(4.55)	(4.54)	(0.39)	-
Gain from investment in insurance policies		(35.15)	(28.69)	(28.39)	(16.69)	(17.54)	(5.73)
Employee benefits provision		(9.94)	2.41	1.65	1.00	1.29	0.59
Profit on disposal of property, plant and equipment, net		(0.11)	(0.88)	(0.71)	(1.16)	(1.49)	(77.29)
Receipt of government assistance related to assets		(22.34)	(2.08)	(34.77)	(0.42)	(10.48)	(4.97)
Operating Cash Flow before working capital changes		**2,106.50**	**1,372.37**	**859.37**	**948.56**	**923.06**	**317.53**
Adjustments for:							
Change in loans		(3.23)	(6.94)	(6.94)	0.52	(4.18)	(3.50)
Change in inventories		(207.73)	(322.65)	(292.45)	27.24	(42.97)	31.67
Change in trade receivables		(938.35)	(443.07)	(293.48)	168.17	(790.17)	21.11
Change in other current assets		177.30	(152.04)	68.54	(36.94)	(27.04)	230.95
Change in trade payables		73.93	116.27	1.35	18.02	3.91	(12.61)
Change in other financial liabilities		16.83	12.02	46.38	(1.56)	(6.99)	13.26
Change in other current liabilities		(5.56)	10.47	2.83	(4.97)	2.06	3.67
Cash generated from operating activities		**1,219.69**	**586.43**	**385.60**	**1,119.04**	**57.68**	**602.08**
Income taxes paid		(655.96)	(347.22)	(283.92)	(304.65)	(215.33)	(164.05)
Net cash generated from/(used in) operating activities	**A**	**563.73**	**239.21**	**101.68**	**814.39**	**(157.65)**	**438.03**
Cash flow from investing activities							
Purchase of property, plant and equipment		(355.55)	(372.52)	(251.16)	(162.76)	(63.34)	(118.75)
Proceeds from sale of property, plant and equipment		2.20	2.97	1.14	5.82	16.54	227.03
Purchase of intangible assets		-	(0.28)	-	-	-	-
Investment in associate		-	(227.00)	-	(9.80)	-	-
Investment in key man insurance policies		-	(17.03)	(17.03)	(126.30)	(26.41)	(133.09)
Receipts from key man insurance policies		41.45	11.20	25.67	10.50	-	-
Receipts from sale of investment in subsidiary		-	-	5.38	-	-	-
Change in current investments, net		-	229.62	(205.02)	(0.42)	(0.49)	0.80
Investments/(redemptions) in term deposits, net		124.97	89.33	186.38	(228.90)	159.82	(343.12)
Interest received		6.29	22.85	27.81	26.16	29.97	34.47
Net cash generated from/(used in) investing activities	**B**	**(180.64)**	**(260.86)**	**(226.83)**	**(485.70)**	**116.09**	**(332.66)**

Devi Sea Foods Limited
Annexure III: Restated Standalone Statement of Cash Flows
(All amounts in ₹ million, except share data and where otherwise stated)

		For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from financing activities							
Proceeds from long-term borrowings		0.07	0.07	-	-	78.87	43.29
Repayment of long-term borrowings		(9.86)	(0.08)	(11.75)	(3.83)	(3.04)	(0.00)
(Repayment)/proceeds from short term borrowings (net)		(604.38)	95.16	405.51	(407.41)	223.61	2.50
Dividends paid (including tax on distributed profit)		(4.81)	-	(48.14)	-	(93.60)	-
Interest paid		(34.12)	(72.32)	(30.47)	(25.18)	(26.27)	(22.49)
Net cash generate from/(used in) financing activities	**C**	**(653.10)**	**22.83**	**315.15**	**(436.42)**	**179.57**	**23.30**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(270.01)	1.18	190.00	(107.73)	138.01	128.67
Cash and cash equivalents at the beginning of the period / year		328.14	326.96	136.96	244.69	106.68	(21.99)
Cash and cash equivalents at the end of the period / year		**58.13**	**328.14**	**326.96**	**136.96**	**244.69**	**106.68**

Note 1 :
The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flows"

Note 2 :
Figures in bracket indicate cash outflow.

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Cash Flows referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

Devi Sea Foods Limited

Annexure IV: Restated Standalone Statement of Changes in Equity

(All amounts in ₹ million, except share data and where otherwise stated)

A. Equity Share Capital

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Balance at the beginning of the period	40.00	40.00	40.00	40.00	40.00	40.00
Add: Changes in equity during the period	-	-	-	-	-	-
Balance at the end of the period	**40.00**	**40.00**	**40.00**	**40.00**	**40.00**	**40.00**

B. Other equity

	Retained earnings	OCI Defined benefit obligation	Total other equity
As at 1 April 2012	**1,141.52**	**(1.47)**	**1,140.05**
Profit for the year	295.88	-	295.88
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	(0.53)	(0.53)
As at 31 March 2013	**1,437.40**	**(2.00)**	**1,435.40**
Profit for the year	562.62	-	562.62
Actuarial gain on remeasurement of defined benefit obligation, net of taxes	-	0.43	0.43
Dividends	(80.00)	-	(80.00)
Tax on distributed profit	(13.60)	-	(13.60)
As at 31 March 2014	**1,906.42**	**(1.57)**	**1,904.85**
Profit for the year	602.99	-	602.99
Adjustment relating to fixed assets	-	-	-
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	(1.31)	(1.31)
Dividends	(20.00)	-	(20.00)
Tax on distributed profit	(4.07)	-	(4.07)
As at 31 March 2015	**2,485.34**	**(2.88)**	**2,482.46**
Profit for the year	543.94	-	543.94
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	(0.24)	(0.24)
Dividends	(20.00)	-	(20.00)
Tax on distributed profit	(4.07)	-	(4.07)
As at 31 March 2016	**3,005.21**	**(3.12)**	**3,002.09**
Profit for the year	815.27	-	815.27
Actuarial loss on remeasurement of defined benefit obligation, net of taxes	-	(0.50)	(0.50)
As at 31 March 2017	**3,820.48**	**(3.62)**	**3,816.86**

Devi Sea Foods Limited

Annexure IV: Restated Standalone Statement of Changes in Equity

(All amounts in ₹ million, except share data and where otherwise stated)

B. Other equity (continued)

	Retained earnings	OCI	Total other equity
		Actuarial gains / (losses)	
As at 31 March 2017	**3,820.48**	**(3.62)**	**3,816.86**
Profit for the period	1,298.23	-	1,298.23
Actuarial gain/(loss) on remeasurement of defined benefit obligation, net of taxes	-	0.31	0.31
Dividends	(4.00)	-	(4.00)
Tax on distributed profit	(0.81)	-	(0.81)
As at 31 December 2017	**5,113.90**	**(3.31)**	**5,110.59**

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V (Notes 1 to 4), Notes (5 to 33) to the Restated Ind AS Standalone Financial Information appearing in Annexure VI and Statement of Adjustments to IGAAP Audited Standalone Financial Statements appearing in Annexure VII.

This is the Restated Standalone Statement of Changes in Equity referred to in our report of even date.

For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration Number: 015002S

J Venkateswarlu
Partner
Membership Number: 022481

Place: Visakhapatnam
Date: 23 February 2018

For and on behalf of Board of Directors of
Devi Sea Foods Limited

P. Brahmanandam
Managing Director
DIN: 00860739

G. Sambasiva Rao
Director
DIN: 01293395

P.V. Chetty
Chief Financial Officer
ICAI Membership No. 209854

Manas Ranjan Panigrahi
Company Secretary
ICSI Membership No. 053021

Place: Visakhapatnam
Date: 23 February 2018

1. **General information**
   Devi Sea Foods Limited ("the Company") is a public limited company domiciled and incorporated in India in accordance with the provisions of the Companies Act, 1956. The Company is engaged in the activity of processing and export of frozen shrimp with integral activities, manufacturing of shrimp feed and wind power generation. The Company has various processing plants in State of Andhra Pradesh and wind power mill in the State of Tamil Nadu.

   The Company have its registered office at Regd. Office: D.No. 50-1-51/1, A.S.R. Nagar, Seethammadhara, Visakhapatnam – 530013.

2. **Basis of preparation**
   The Restated Standalone Statement of Assets and Liabilities as at 31 December 2017, 31 March 2017, 2016, 2015, 2014 and 2013 and Restated Standalone Statement of Profit and Loss, Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 and nine months ended 31 December 2017 (together referred to as "Restated Ind AS Standalone Financial Information") have been compiled by the Company from the Audited Standalone Ind AS Financial Statements to which further adjustments are made to comply in all material aspects with the requirements of the Securities and Exchange Board of India (Issue of Disclosure and Capital Requirements) Regulations, 2009, as amended (the "ICDR Regulations"). Accordingly, these Restated Ind AS Standalone Financial Information have been prepared after incorporating adjustments for the audit qualifications for the respective years under consideration and after incorporating adjustments for the material amounts in the respective financial years to which they relate as explained later. There were no exceptional items that needed to be disclosed separately for the respective years under consideration.

   The Restated Ind AS Standalone Financial Information of the Company are prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("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.

   This Restated Ind AS Standalone Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

   a) 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; and

   b) relevant provisions of the ICDR Regulations issued by the Securities and Exchange Board of India ('SEBI') on 26 August 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

3. **Use of estimates and judgements**
   The preparation of Restated Ind AS Standalone Financial Information in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the restated statement of assets and liabilities date and reported amounts of revenues and expenses for the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial information in the period in which changes are made and in any future periods affected.

   Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Restated Ind AS Standalone Financial Information is included in the following notes:

   - Note 4(g) and 4(h) — Useful lives of property, plant and equipment and intangible assets;

- Note 4(j) – Impairment of non-financial and financial assets;
- Note 4(l) — Financial instruments;
- Note 4(o) — Employee benefits;
- Note 4(q) – Provisions, contingencies; and
- Note 4(r) — Income taxes

4. Summary of significant accounting policies

The Restated Ind AS Standalone Financial Information have been prepared using the accounting policies and measurement basis summarized below.

a. Functional currency

The Restated Ind AS Standalone Financial Information are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions, unless otherwise stated.

b. Historical cost convention

The Restated Ind AS Standalone Financial Information have been prepared on the historical cost convention and on an accrual basis except for the following material items in the statement of assets and liabilities:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

c. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company presents assets and liabilities based on current/ non-current classification.

An **asset** is classified as current when it is:

- Expected to be realised or intended to 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

A **liability** is classified as 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

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

d. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

e. Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in the Restated Ind AS Standalone Financial Information is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the Restated Ind AS Standalone Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

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

f. Revenue recognition

Sale of goods
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

Sale of power
Revenue from the sale of power is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end

Export incentives
Income from export incentives are recognized when the right to receive credit as per the terms of the scheme is established and where there is certainty of realization.

Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

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

g. Property, plant and equipment (PPE)

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land and land under perpetual lease are not depreciated.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

h. Intangible assets
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Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

The intangible assets are amortized over a period of 3 years, on a straight line basis.

i. Leases
A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease. All other leases are classified as operating leases.

Company as a lessee
Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included as a finance lease obligation. 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 profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised 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.

Operating lease payments are generally recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which the benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

j. Impairment

Impairment of non-financial assets
The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

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 financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

k. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

l. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, 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 Other Income in the statement of profit or loss. The losses arising from impairment is recognised in the statement of profit or loss.

FVOCI – debt investment
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment
On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by- investment basis.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL
All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets
A financial asset is primarily de-recognised 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.

Financial liabilities
A financial liability is de-recognised 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 de-recognition 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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities 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.

Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the company's hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents
Cash and cash equivalent comprise of 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.

Dividend distribution to equity holders of the Company
The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

m. Investments in the nature of equity in subsidiaries and associate
Company has elected to recognise its investments in equity instruments in subsidiaries and associate at cost in the standalone financial information in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

n. Borrowing costs
Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Employee benefits

Defined contribution plan
The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan
The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company recognises the net obligation of a defined benefit plan as a liability in its statement of assets and liabilities. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

p. Government grants
The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in-relation to assets are presented as deferred revenue and recognized in Statement of Profit and Loss as

other income, on a systematic basis over the periods in which the related performance obligations are fulfilled.

q. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

r. Income taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Ind AS Standalone Financial Information. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available

against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each reporting period and written down to the extent the aforesaid convincing evidence no longer exists.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

5(a) Property, plant and equipment

	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Deemed cost as at 1 April 2012	**16.54**	**50.51**	**345.52**	**4.86**	**0.83**	**29.99**	**448.25**
Additions	47.51	11.78	48.13	1.19	0.10	23.12	131.83
Disposals	(3.22)	-	(141.73)	-	-	(4.79)	(149.74)
As at 31 March 2013	**60.83**	**62.29**	**251.92**	**6.05**	**0.93**	**48.32**	**430.34**
Additions	12.97	26.31	47.73	1.30	1.00	14.11	103.42
Disposals	-	(0.38)	(8.74)	-	-	(5.92)	(15.05)
As at 31 March 2014	**73.80**	**88.21**	**290.91**	**7.35**	**1.93**	**56.50**	**518.71**
Additions	16.72	29.62	56.20	6.07	0.92	16.49	126.02
Disposals	-	(0.41)	(0.24)	-	-	(4.02)	(4.66)
As at 31 March 2015	**90.52**	**117.43**	**346.87**	**13.42**	**2.85**	**68.97**	**640.07**
Additions	17.58	85.04	182.79	14.97	0.61	20.33	321.32
Disposals	-	-	(0.00)	-	-	(0.43)	(0.43)
As at 31 March 2016	**108.10**	**202.47**	**529.66**	**28.39**	**3.46**	**88.87**	**960.96**
Additions	15.83	78.31	233.84	19.96	4.49	34.45	386.88
Disposals	-	-	-	-	-	(2.09)	(2.09)
As at 31 March 2017	**123.93**	**280.78**	**763.50**	**48.35**	**7.95**	**121.22**	**1,345.75**
Additions	9.39	22.79	104.77	4.52	0.53	14.79	156.78
Disposals	-	-	(1.24)	-	-	(0.61)	(1.85)
As at 31 December 2017	**133.32**	**303.57**	**867.03**	**52.87**	**8.48**	**135.40**	**1,500.68**
Accumulated depreciation							
Up to 1 April 2012	-	-	-	-	-	-	-
Charge for the year	-	5.87	34.17	1.01	0.16	8.72	49.93
Disposals	-	-	(2.65)	-	-	(1.80)	(4.45)
Up to 31 March 2013	**-**	**5.87**	**31.52**	**1.01**	**0.16**	**6.92**	**45.48**
Charge for the year	-	7.69	32.79	1.03	0.27	13.86	55.64
Disposals	-	-	-	-	-	(5.42)	(5.42)
Up to 31 March 2014	**-**	**13.56**	**64.31**	**2.04**	**0.43**	**15.36**	**95.70**
Charge for the year	-	11.11	54.57	3.27	0.85	19.57	89.37
Disposals	-	-	-	-	-	(3.40)	(3.40)
Up to 31 March 2015	**-**	**24.67**	**118.88**	**5.31**	**1.28**	**31.53**	**181.67**
Charge for the year	-	10.25	56.16	4.89	0.52	18.33	90.15
Disposals	-	-	-	-	-	(0.38)	(0.38)
Up to 31 March 2016	**-**	**34.92**	**175.04**	**10.20**	**1.80**	**49.48**	**271.44**
Charge for the year	-	19.35	77.53	8.33	0.94	19.59	125.75
Disposals	-	-	-	-	-	(2.05)	(2.05)
Up to 31 March 2017	**-**	**54.27**	**252.57**	**18.53**	**2.74**	**67.02**	**395.14**
Charge for the period	-	17.32	75.61	8.11	1.08	14.45	116.57
Disposals	-	-	(0.90)	-	-	(0.61)	(1.51)
Up to 31 December 2017	**-**	**71.59**	**327.28**	**26.64**	**3.82**	**80.86**	**510.20**
Net carrying amount							
As at 31 December 2017	133.32	231.98	539.75	26.23	4.66	54.54	**990.48**
As at 31 March 2017	123.93	226.51	510.93	29.82	5.21	54.20	**950.60**
As at 31 March 2016	108.10	167.55	354.62	18.19	1.66	39.39	**689.51**
As at 31 March 2015	90.52	92.76	227.99	8.11	1.57	37.44	**458.39**
As at 31 March 2014	73.80	74.65	226.60	5.31	1.50	41.14	**423.00**
As at 31 March 2013	60.83	56.42	220.40	5.04	0.77	41.40	**384.86**

Deemed cost as on 1 April 2012

	Land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Gross block as on 1 April 2012	16.54	119.11	647.44	15.75	3.89	68.13	870.86
Less: Accumulated depreciation till 1 April 2012	-	68.61	300.21	10.89	3.07	38.13	420.90
Less: Adjustment on account of schedule II	-	-	1.70	-	-	-	1.70
Net block treated as deemed cost upon transition	**16.54**	**50.51**	**345.52**	**4.86**	**0.83**	**29.99**	**448.25**

5(b) Capital work-in-progress

Capital work-in-progress as at 31 December 2017 of ₹221.25 includes expenditure of ₹218.57 incurred towards construction of a new plant for processing of shrimp feeds.

5(c) Intangible assets

	Software
Gross carrying amount	
As at 1 April 2016	**-**
Additions	0.53
As at 31 March 2017	**0.53**
Additions	-
As at 31 December 2017	**0.53**
Accumulated depreciation	
Up to 1 April 2016	**-**
Charge for the year	0.25
Up to 31 March 2017	**0.25**
Charge for the period	0.13
Up to 31 December 2017	**0.38**
Net carrying amount	
As at 31 December 2017	**0.15**
As at 31 March 2017	**0.28**
As at 31 March 2016	**-**

6. Financial assets

(a) Non-current Investments

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Investments in equity instruments, unquoted, fully paid up						
Investment in subsidiary, at cost						
(i) Devee Power Corporation Limited, principal place of business at Hyderabad, India						
-Number of shares	-	-	-	538,352	5,000	5,000
-Par value of each share	-	-	-	₹10	₹10	₹10
-Amount	-	-	-	5.38	0.05	0.05
Share application money pending allotment	-	-	-	-	5.33	5.33
(ii) Devi Sea Foods Inc., principal place of business at Houston, Texas, USA						
-Number of shares	190,500	190,500	190,500	190,500	190,500	190,500
-Par value of each share	$1	$1	$1	$1	$1	$1
-Amount (refer note 1)	38.54	38.54	19.85	19.85	19.85	8.09
Investment in associate, at cost						
(i) Maximus ARC Limited*						
-Number of shares	23,680,000	23,680,000	980,000	980,000	-	-
-Par value of each share	₹10	₹10	₹10	₹10	-	-
-Amount	236.80	236.80	9.80	9.80	-	-
Investment in other equity instruments at FVTPL						
(i) Ranar Agrochem Limited						
-Number of shares	70,000	70,000	70,000	70,000	70,000	70,000
-Par value of each share	₹10	₹10	₹10	₹10	₹10	₹10
-Amount	0.70	0.70	0.70	0.70	0.70	0.70
(ii) Devi Business Ventures Private Limited						
-Number of shares	-	-	-	-	200.00	200.00
-Par value of each share	-	-	-	-	₹100	₹100
-Amount	-	-	-	-	0.03	0.03
	276.04	**276.04**	**30.35**	**35.73**	**25.96**	**14.20**
Other investments measured at amortised cost						
Investment in key man insurance policies	493.68	499.98	465.46	445.71	313.22	269.27
	493.68	**499.98**	**465.46**	**445.71**	**313.22**	**269.27**
	769.72	**776.02**	**495.81**	**481.44**	**339.18**	**283.47**
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate book value of unquoted investments	769.72	776.02	495.81	481.44	339.18	283.47

Note 1: Commission receivable against the corporate guarantee issued on behalf of the subsidiary effective February 2014, has been measured at fair value with corresponding impact adjusted to the carrying value of investment in the subsidiary.

(b) Current Investments

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Investment in mutual funds, at fair value through profit or loss, unquoted						
(i) Union KBC Dynamic Bond Fund						
-Number of units	-	-	-	81,877.95	-	-
-Amount	-	-	-	1.05	-	-
(ii) Union KBC Fixed Maturity Plan Series 8						
-Number of units	-	-	-	-	50,000.00	-
-Amount	-	-	-	-	0.53	-
(iii) Union KBC Liquid Fund						
-Number of units	-	-	146,438.24	-	-	-
-Amount	-	-	221.43	-	-	-
(iv) Union KBC Tax Savers Scheme						
-Number of units	-	-	-	199,990.00	199,990.00	199,990.00
-Amount	-	-	-	4.18	3.70	3.00
	-	**-**	**221.43**	**5.23**	**4.23**	**3.00**
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-	-
Aggregate book value of unquoted investments and market value thereof	-	-	218.47	2.99	2.50	2.00

(c) Loans

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good						
Security deposits	34.45	31.22	24.28	17.34	17.86	13.68
	34.45	**31.22**	**24.28**	**17.34**	**17.86**	**13.68**

(d) Trade receivables

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good						
–Subsidiary	2,105.77	1,595.52	1,340.65	1,008.55	976.70	448.79
–Others	903.69	475.59	287.39	326.01	526.03	263.77
	3,009.46	**2,071.11**	**1,628.04**	**1,334.56**	**1,502.73**	**712.56**

(e) Cash and cash equivalents

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Balances with banks						
– in current accounts	37.10	303.55	321.89	111.19	241.49	105.29
– in EEFC accounts	12.91	18.47	0.49	11.62	-	-
Cash on hand	8.12	6.12	4.58	14.15	3.20	1.39
	58.13	**328.14**	**326.96**	**136.96**	**244.69**	**106.68**

(f) Bank balances other than cash and cash equivalents

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deposit with maturity more than 3 months but less than 12 months	63.66	105.54	189.70	485.57	232.36	394.30
	63.66	**105.54**	**189.70**	**485.57**	**232.36**	**394.30**

(g) Other financial assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Non-current						
Deposits with maturity of more than 12 months*	24.45	107.54	112.71	3.22	27.53	25.41
	24.45	107.54	112.71	3.22	27.53	25.41
Current						
Interest receivable	-	0.59	0.47	0.42	0.66	1.34
Derivative financial asset	37.40	52.59	26.37	43.59	8.46	20.29
	37.40	53.18	26.84	44.01	9.12	21.63
	61.85	**160.72**	**139.55**	**47.23**	**36.65**	**47.04**

*The Company has pledged all of its deposits to fulfil collateral requirements.

7. Other non-current assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Capital advances	79.93	65.45	57.63	102.34	54.58	99.37
	79.93	**65.45**	**57.63**	**102.34**	**54.58**	**99.37**

8. Inventories (Valued at lower of cost or net realisable value)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Raw materials*	552.49	369.55	75.10	-	-	-
Work-in-progress*	22.07	10.85	-	-	-	-
Finished goods	308.44	300.48	290.17	75.28	102.59	59.35
Packing materials	10.04	6.64	3.48	1.48	1.36	1.48
Stores and spares	6.77	4.57	0.68	0.24	0.28	0.43
	899.82	**692.09**	**369.44**	**76.99**	**104.23**	**61.26**

*The Company has commenced its Shrimp Feed Operations from March 2016. Accordingly, raw materials and work-in-progress as at 31 December 2017, 31 March 2017 and 2016 pertains to the Company's Shrimp Feed Operations.

9. Other current assets

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Advances other than capital advances						
- Advances to employees	5.12	3.92	3.29	2.40	2.92	2.95
- Advance to suppliers and service providers	16.19	39.40	24.33	131.83	26.30	160.29
Prepaid expenses	3.19	0.63	0.48	0.19	0.32	0.38
Balances with government authorities	40.13	4.25	3.13	2.07	60.02	1.34
Accrued export incentives	103.34	297.07	162.00	125.28	135.27	32.83
	167.97	**345.27**	**193.23**	**261.77**	**224.83**	**197.79**

10. Equity share capital

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised share capital												
Equity shares of ₹100 each	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
Issued, subscribed and fully paid up shares												
Equity shares of ₹100 each	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
	400,000	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00	400,000	40.00
Add: Issued during the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period / year	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**	**400,000**	**40.00**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹100 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder.

(c) Shareholders holding more than 5% equity shares in the Company

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
P. Brahmanandam *	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%	181,050	45.26%
P. Rama Devi	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%	92,630	23.16%
N. Naveena	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%	92,790	23.20%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

* In addition to the above P. Brahmanandam is holding jointly 3,000 number of equity shares with another shareholder.

(d) Subsequent event update:

Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each were sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves.

11. Other Equity

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Reserves and Surplus						
Retained earnings						
Balance at the beginning of the year	**3,820.48**	**3,005.21**	**2,485.34**	**1,906.42**	**1,437.40**	**1,141.52**
Add : Profit for the period / year	1,298.23	815.27	543.94	602.99	562.62	295.88
Less : Dividend paid	(4.00)	-	(20.00)	(20.00)	(80.00)	-
Less: Tax on distributed profits	(0.81)	-	(4.07)	(4.07)	(13.60)	-
Balance at the end of the period / year	**5,113.90**	**3,820.48**	**3,005.21**	**2,485.34**	**1,906.42**	**1,437.40**
Other comprehensive income						
Actuarial gain/(loss) on remeasurement of defined benefit obligation						
Balance at the beginning of the year	**(3.62)**	**(3.12)**	**(2.88)**	**(1.57)**	**(2.00)**	**(1.47)**
Gain / (loss) during the period / year	0.31	(0.50)	(0.24)	(1.31)	0.43	(0.53)
Balance at the end of the period / year	**(3.31)**	**(3.62)**	**(3.12)**	**(2.88)**	**(1.57)**	**(2.00)**
	5,110.59	**3,816.86**	**3,002.09**	**2,482.46**	**1,904.85**	**1,435.40**

Nature and purpose of reserves

Actuarial gain/(loss) on remeasurement of defined benefit obligation

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit or loss.

12. Financial liabilities

(a) Non-current Borrowings

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Term loan, secured						
- Rupee loans from financial institution (refer note (i))	94.11	103.90	103.83	115.58	118.60	43.14
Deferred payment, unsecured						
- Sales Tax deferment (refer note (ii))	3.01	3.01	3.09	3.09	3.90	3.53
	97.12	**106.91**	**106.92**	**118.67**	**122.50**	**46.67**

Terms and conditions of loans and nature of security

(i) (a) Represents loans availed from the Life Insurance Corporation of India which are secured against the key man insurance policies held with them. The proceeds at the time of maturity of these policies shall be utilised for the repayment of Rupee loans. These loans carry an interest ranging from 9% per annum to 10% per annum.

(b) **Maturity profile**

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not later than one year	-	-	-	-	-	-
Later than one year and not later than three years	-	-	-	-	-	-
Later than three years	94.11	103.90	103.83	115.58	118.60	43.14
	94.11	**103.90**	**103.83**	**115.58**	**118.60**	**43.14**

(ii) (a) Represents interest free loan availed under the scheme floated by the Directorate of Industries, Government of the United State of Andhra Pradesh. Loan repayment shall commence on an annual basis from 1 April 2019 to March 2028 after completion of 14 years from the year of collection.

(b) **Maturity profile**

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not later than one year	-	-	-	-	-	-
Later than one year and not later than three years	0.75	0.42	-	-	-	-
Later than three years	2.26	2.59	3.09	3.09	3.90	3.53
	3.01	**3.01**	**3.09**	**3.09**	**3.90**	**3.53**

(b) Current borrowings

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Secured						
From Banks						
Packing credit loans (refer note i)	295.25	841.93	647.46	185.00	600.96	352.86
Others (refer note ii)	-	57.70	157.01	213.96	205.41	229.90
	295.25	**899.63**	**804.47**	**398.96**	**806.37**	**582.76**

(i) Packing credit loan availed from the Union Bank of India is secured by way of first paripassu charge on the entire current assets (present and future), second charge on the fixed assets, personal guarantees of all the Executive Directors of the Company and by the personal guarantee and collateral security extended by Mr. Yarlagadda Ammanna Chowdary and Goli Mankyamba during the years ended 31 March 2015, 2014 and 2013. These loans are repayable on demand and carries interest rate of LIBOR+1.1% per annum for loans denominated in US Dollars and MCLR + 0.55% per annum for loans denominated in Indian Rupees

(ii) Represents loans availed against fixed deposits with Union Bank of India carrying interest rate of (1% + interest rate on deposits) and bill discounting facility with the Union Bank of India which carries interest rate of LIBOR+1.1% per annum for loans denominated in US Dollars and MCLR + 0.80% per annum for loans denominated in Indian Rupees.

(c) Trade payables

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade payables						
– others	243.95	170.02	53.75	52.40	34.38	30.47
	243.95	**170.02**	**53.75**	**52.40**	**34.38**	**30.47**

There are no micro and small enterprises to whom the Company owes dues as at the each reporting date. The micro and small enterprises have been identified by management on the basis of information available with the Company and have been relied upon by the auditors.

(d) Other financial liabilities

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Current						
Interest accrued but not due	20.59	-	-	12.21	15.30	-
Financial guarantee liability	10.29	15.35	2.29	6.84	11.37	-
Dividend payable	-	-	-	24.07	-	-
Creditor for capital goods	13.91	4.65	2.46	0.15	-	0.11
Accrued expenses	86.65	69.95	58.26	12.51	14.07	21.14
Other payables	1.04	1.04	0.71	0.08	0.08	-
	132.48	**90.99**	**63.72**	**55.86**	**40.82**	**21.25**

13. Provisions

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Non-current						
Provision for employee benefit obligations - Gratuity (Refer Note: 31)	1.56	10.71	7.99	6.28	3.62	3.42
	1.56	10.71	7.99	6.28	3.62	3.42
Current						
Provision for employee benefit obligations - Gratuity (Refer Note: 31)	-	1.10	0.91	0.73	0.48	0.42
Others	-	-	-	-	0.60	-
	-	1.10	0.91	0.73	1.08	0.42
	1.56	**11.81**	**8.90**	**7.01**	**4.70**	**3.84**

14. Deferred tax liabilities, net

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deferred tax liabilities / (assets) on account of:						
Property, plant and equipment	50.29	41.48	28.40	17.55	26.93	23.19
Financial instruments measured at FVTPL	(0.20)	(3.18)	10.15	15.57	3.47	6.90
Financial instruments measured at amortised cost	170.85	173.03	161.09	151.50	106.46	87.37
Other assets	-	-	56.07	42.58	65.92	10.65
Liabilities and provisions	(10.32)	(7.81)	(3.48)	(6.71)	(5.15)	(5.83)
Others	(1.77)	(1.76)	(1.78)	(1.73)	(1.73)	(1.09)
	208.85	**201.76**	**250.45**	**218.76**	**195.90**	**121.19**

Movement in the deferred tax liabilities/(assets)

	Property, plant and equipment	FVTPL	Amortised cost	Other assets	Liabilities and provisions	Others	Total
As at 1 April 2012	**34.91**	**(24.58)**	**42.32**	**67.67**	**(0.80)**	**(4.22)**	**115.30**
Charged/(credited)							
- to profit or loss	(11.72)	31.48	45.05	(57.02)	(4.77)	3.13	6.15
- to OCI	-	-	-	-	(0.26)	-	(0.26)
As at 31 March 2013	**23.19**	**6.90**	**87.37**	**10.65**	**(5.83)**	**(1.09)**	**121.19**
Charged/(credited)							
- to profit or loss	3.74	(3.43)	19.09	55.27	0.52	(0.64)	74.55
- to OCI	-	-	-	-	0.15	-	0.15
As at 31 March 2014	**26.93**	**3.47**	**106.46**	**65.92**	**(5.15)**	**(1.73)**	**195.90**
Charged/(credited)							
- to profit or loss	(9.38)	12.10	45.04	(23.34)	(0.88)	-	23.54
- to OCI	-	-	-	-	(0.68)	-	(0.68)
As at 31 March 2015	**17.55**	**15.57**	**151.50**	**42.58**	**(6.71)**	**(1.73)**	**218.76**
Charged/(credited)							
- to profit or loss	10.85	(5.42)	9.59	13.49	3.39	(0.05)	31.85
- to OCI	-	-	-	-	(0.17)	-	(0.17)
As at 31 March 2016	**28.40**	**10.15**	**161.09**	**56.07**	**(3.48)**	**(1.78)**	**250.45**
Charged/(credited)							
- to profit or loss	13.08	(13.33)	11.94	(56.07)	(4.06)	0.02	(48.42)
- to OCI	-	-	-	-	(0.26)	-	(0.26)
As at 31 March 2017	**41.48**	**(3.18)**	**173.03**	**-**	**(7.81)**	**(1.76)**	**201.76**
Charged/(credited)							
- to profit or loss	8.81	2.98	(2.18)	-	(2.67)	(0.01)	6.93
- to OCI	-	-	-	-	0.16	-	0.16
As at 31 December 2017	**50.29**	**(0.20)**	**170.85**	**-**	**(10.32)**	**(1.77)**	**208.85**

15. Other current liabilities

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Advance from customers	1.54	9.04	0.15	-	2.99	1.12
Balances due to government authorities	7.59	5.65	4.08	1.40	3.39	3.20
Deferred income	28.52	22.34	1.05	12.63	7.53	10.70
	37.65	**37.03**	**5.28**	**14.03**	**13.91**	**15.02**

16. Revenue from operations

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of shrimps	8,900.94	9,740.68	7,794.18	8,014.12	7,605.38	4,030.87
Sale of shrimp feed	2,768.13	1,607.54	0.83	-	-	-
Sale of power	1.35	11.60	6.86	9.67	10.53	15.41
Other operating revenue						
Export incentives	797.94	840.67	721.99	561.99	469.87	275.93
	12,468.36	**12,200.49**	**8,523.86**	**8,585.78**	**8,085.78**	**4,322.21**

17. Other income

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Gain on financial instruments measured on amortised cost, net						
-Key Man insurance policies	35.15	28.69	28.39	16.69	17.54	5.73
-Guarantee fee income	5.05	5.63	4.55	4.54	0.39	-
-Interest income	6.29	22.85	27.81	26.16	29.97	34.47
Gain on financial instruments at FVTPL, net						
-Derivative financial instruments	-	26.22	-	35.12	-	96.61
-Current investments	-	-	0.72	0.50	0.74	0.46
Gain on sale of investments, net	-	11.15	10.46	0.05	-	0.01
Foreign exchange gain, net	70.58	42.47	76.67	139.49	-	-
Profit on sale of assets, net	0.11	0.88	0.71	1.16	1.49	77.29
Other income	0.23	-	-	1.00	-	3.84
	117.41	**137.89**	**149.31**	**224.71**	**50.13**	**218.41**

18. Cost of materials consumed (including packing materials)*

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening inventory of raw materials and packing materials	376.19	78.59	1.48	1.36	1.48	1.88
Add : Purchases	9,402.48	9,968.54	6,942.41	6,857.76	6,326.74	3,286.43
Less: Closing inventory of raw materials and packing materials	(562.54)	(376.19)	(78.59)	(1.48)	(1.36)	(1.48)
	9,216.13	**9,670.93**	**6,865.31**	**6,857.64**	**6,326.86**	**3,286.83**

*Disclosed based on derived figures, rather than actual records of issue.

19. Changes in inventories of finished goods and work-in-progress

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Inventory at the beginning of the year						
- Finished goods	300.48	290.17	75.28	102.59	59.35	90.75
- Work-in-progress	10.85	-	-	-	-	-
	311.33	**290.17**	**75.28**	**102.59**	**59.35**	**90.75**
Inventory at the end of the year						
- Finished goods	308.44	300.48	290.17	75.28	102.59	59.35
- Work-in-progress	22.07	10.85	-	-	-	-
	330.51	**311.33**	**290.17**	**75.28**	**102.59**	**59.35**
	(19.18)	**(21.16)**	**(214.89)**	**27.31**	**(43.24)**	**31.40**

20. Employee benefits expense

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries and wages	233.55	239.22	170.24	145.64	99.84	73.27
Contribution to provident fund	12.07	11.14	7.96	4.64	2.50	2.24
Contribution to employee state insurance fund	3.64	3.40	2.17	0.82	0.62	0.58
Gratuity	2.04	1.90	1.48	0.93	0.83	0.58
Staff welfare expenses	22.33	21.84	19.25	19.25	16.62	14.22
	273.63	**277.50**	**201.10**	**171.28**	**120.41**	**90.89**

21. Finance costs

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest	38.06	50.49	17.12	21.03	39.57	21.06
Interest on income taxes	13.73	18.26	-	-	-	-
Other borrowing costs	2.92	3.57	1.14	1.06	2.00	1.43
	54.71	**72.32**	**18.26**	**22.09**	**41.57**	**22.49**

22. Other expenses

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Consumption of stores and spares	52.72	53.71	120.29	84.02	72.83	71.28
Selling and distribution expenses	84.88	54.69	41.40	28.20	38.34	27.10
Power and fuel	171.74	186.74	147.16	133.45	141.17	102.71
Rent	4.48	8.54	7.95	2.34	3.76	0.34
Repairs and maintenance						
- Buildings	22.80	17.92	14.84	12.79	14.94	9.32
- Plant and equipment	56.95	72.84	46.62	58.61	47.94	29.08
- Others	17.25	13.22	15.77	16.44	18.08	14.47
Insurance	4.10	6.24	5.43	5.24	6.01	3.18
Peeling and processing labour charges	191.65	181.39	147.89	121.07	104.20	80.66
Foreign exchange loss, net	-	-	-	-	67.54	90.50
Hatchery expenses	15.02	15.78	5.72	7.46	7.35	3.80
Rates and taxes	12.09	15.10	12.72	9.31	6.89	5.50
Payment to auditors						
-Audit fee	1.13	0.15	0.05	0.05	0.03	0.03
Testing charges	8.30	4.10	3.24	2.77	1.46	1.48
Carriage and freight outward	207.93	240.53	242.84	199.33	179.78	132.37
Legal and professional charges	3.74	3.38	3.20	3.22	2.36	1.90
Wind mill expenses	1.14	2.18	2.10	2.65	1.65	2.60
Printing and stationery	3.94	3.68	1.64	0.99	1.08	0.73
Travelling and conveyance	29.72	22.45	12.60	9.32	6.18	4.44
Communication expenses	2.17	1.87	1.61	1.44	1.29	1.12
Corporate Social Responsibility expenditure [refer note (a)]	3.35	5.40	1.81	3.02	-	-
Net loss on financial instruments at FVTPL						
-Derivative financial instruments	15.19	-	17.22	-	11.83	-
-Investments	-	2.96	-	-	-	-
Donations	3.99	1.86	4.11	1.98	3.27	1.94
Bank charges	5.49	13.69	8.45	9.24	8.21	6.42
Miscellaneous expenditure	25.82	18.07	9.03	9.36	15.82	12.29
	945.59	**946.49**	**873.69**	**722.30**	**762.01**	**603.26**

(a) Corporate Social Responsibility expenditure

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Amount required to be spent	20.06	14.95	12.04	8.52
Amount brought forward from previous year	25.29	15.74	5.50	-
Amount spent	3.35	5.40	1.81	3.02
Amounts to be spent	**42.01**	**25.29**	**15.74**	**5.50**

23. Income tax expense

(a) Income tax expense recognised in the statement of profit and loss

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Current tax	693.22	499.46	263.75	293.97	235.48	153.79
Deferred tax	6.74	(48.43)	31.86	23.54	74.56	6.15
	699.96	**451.03**	**295.61**	**317.51**	**310.04**	**159.94**

(b) Income tax expense recognised in other comprehensive income

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Tax effect on remeasurement of defined benefit obligation	0.16	(0.26)	(0.17)	(0.68)	0.15	(0.26)
	0.16	**(0.26)**	**(0.17)**	**(0.68)**	**0.15**	**(0.26)**

(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Profit before tax	1,998.19	1,266.30	839.55	920.50	872.66	455.82
Enacted tax rate	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
Expected tax expense	**691.53**	**438.24**	**290.55**	**312.88**	**296.62**	**147.89**
Effect of:						
Impact on account of permanent differences	7.21	6.51	(0.48)	4.92	3.16	6.84
Income taxed at lower rate	-	(1.29)	-	-	-	(22.64)
Income exempt from income taxes	1.19	(0.91)	(0.08)	(0.01)	(0.91)	27.91
Change in enacted tax rate	-	-	4.18	-	6.49	-
Others	(0.03)	8.48	1.44	(0.28)	4.68	(0.06)
Income tax expense for the year/period	**699.96**	**451.03**	**295.61**	**317.51**	**310.04**	**159.94**
Effective income tax rate	**35.03%**	**35.62%**	**35.21%**	**34.49%**	**35.53%**	**35.09%**

24. Earnings per equity share (EPES)

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net Profit available to Equity Shareholders	1,298.23	815.27	543.94	602.99	562.62	295.88
Weighted average number of equity shares						
Number of equity shares outstanding at the end of the period	400,000	400,000	400,000	400,000	400,000	400,000
Add : Effect of division of face value of equity shares *	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000
Add : Effect of bonus equity shares issued *	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Adjusted number of equity shares outstanding at the end of the period	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Weighted average number of equity shares	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Nominal value per equity share *	2	2	2	2	2	2
Basic and Diluted EPES (In absolute ₹)	21.64	13.59	9.07	10.05	9.38	4.93

* Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each was sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. Consequently, as required by Ind AS 33 "Earning per Share", the basic and diluted earnings per share of the previous periods presented have been recomputed and disclosed accordingly.

Note: EPES for nine months ended 31 December 2017 is not annualised

25. Contingent liabilities and commitments

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a) **Guarantee and commitments**						
Investment commitment in Maximus ARC Limited	13.20	13.20	240.20	-	-	-
(b) **Contingent liabilities**						
Claims against the Company not acknowledged as debts in respect of:						
Disputed income tax liabilities*	23.53	24.19	0.63	-	4.60	-
Capital commitments	64.50	-	-	-	-	-
Liability under letter of credit	-	-	19.90	15.63	15.00	2.70

* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

26. Operating lease

The Company is obligated under non-cancellable operating lease agreement for a period of 30 years for its feed plant operations. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Within one year	1.38	1.10	1.00	-	-	-
After one year but not more than five years	4.73	4.80	4.60	-	-	-
Later than five years	41.80	43.10	44.40	-	-	-
	47.90	**49.00**	**50.00**	**-**	**-**	**-**

27. Fair value measurements

(i) Fair value hierarchy

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial assets												
Investments	-	0.70	-	0.70	221.43	0.70	5.23	0.70	4.23	0.73	3.00	0.73
Derivatives	-	37.40	-	52.59	-	26.37	-	43.59	-	8.46	-	20.29

The Company does not have any financial instrument measured at fair value on recurring basis under Level 1 category.
There are no transfers between levels during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Financial instruments by category

	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets												
Investments	0.70	769.02	0.70	775.32	222.13	495.11	5.93	480.74	4.96	338.48	3.73	282.77
Loans	-	34.45	-	31.22	-	24.28	-	17.34	-	17.86	-	13.68
Trade receivables	-	3,009.46	-	2,071.11	-	1,628.04	-	1,334.56	-	1,502.73	-	712.56
Cash and cash equivalents	-	58.13	-	328.14	-	326.96	-	136.96	-	244.69	-	106.68
Bank balances other than cash and cash equivalents	-	63.66	-	105.54	-	189.70	-	485.57	-	232.36	-	394.30
Other financial assets	37.40	24.45	52.59	108.13	26.37	113.18	43.59	3.64	8.46	28.19	20.29	26.75
Financial liabilities												
Borrowings	-	392.37	-	1,006.54	-	911.39	-	517.63	-	928.87	-	629.43
Trade payables	-	243.95	-	170.02	-	53.75	-	52.40	-	34.38	-	30.47
Other financial liabilities	-	132.48	-	90.99	-	63.72	-	55.86	-	40.82	-	21.25

The management considers that the carrying amount of financial assets and financial liabilities carried at amortised cost approximates their fair value.

28. Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade and other receivables

The Company uses Expected Credit Loss (ECL) model for assessing the impairment loss on trade and other receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The management believes that there is no change in allowance for credit losses for the periods presented.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) were past due or impaired for the periods presented.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 30 - 180 days. The aging of trade receivables that are not due and past due but not impaired is given below:

Period (in days)	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Not due	1,798.04	1,905.97	1,588.29	1,026.30	1,363.24	689.33
1 – 30	588.06	153.98	8.86	280.21	138.69	8.67
31 – 90	601.18	2.90	20.71	12.17	0.38	0.78
90-180	22.14	8.19	4.71	12.27	0.09	1.80
More than 180	0.04	0.08	5.47	3.60	0.33	11.97
	3,009.46	**2,071.11**	**1,628.04**	**1,334.56**	**1,502.73**	**712.56**

28. Financial risk management (continued)

B. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Trade payables	Non-current borrowings	Current borrowings	Other financial liabilities	Total
As at 31 December 2017					
Upto 1 year	243.95	-	295.25	132.48	671.68
1 year to 3 years	-	0.75	-	-	0.75
More than 3 years	-	96.37	-	-	96.37
Total	**243.95**	**97.12**	**295.25**	**132.48**	**768.80**
As at 31 March 2017					
Upto 1 year	170.02	-	899.63	90.99	1,160.64
1 year to 3 years	-	0.42	-	-	0.42
More than 3 years	-	106.49	-	-	106.49
Total	**170.02**	**106.91**	**899.63**	**90.99**	**1,267.55**
As at 31 March 2016					
Upto 1 year	53.75	-	804.47	63.72	921.94
1 year to 3 years	-	-	-	-	-
More than 3 years	-	106.92	-	-	106.92
Total	**53.75**	**106.92**	**804.47**	**63.72**	**1,028.86**
As at 31 March 2015					
Upto 1 year	52.40	-	398.96	55.86	507.22
1 year to 3 years	-	-	-	-	-
More than 3 years	-	118.67	-	-	118.67
Total	**52.40**	**118.67**	**398.96**	**55.86**	**625.89**
As at 31 March 2014					
Upto 1 year	34.38	-	806.37	40.82	881.57
1 year to 3 years	-	-	-	-	-
More than 3 years	-	122.50	-	-	122.50
Total	**34.38**	**122.50**	**806.37**	**40.82**	**1,004.07**
As at 31 March 2013					
Upto 1 year	30.47	-	582.76	21.25	634.48
1 year to 3 years	-	-	-	-	-
More than 3 years	-	46.67	-	-	46.67
Total	**30.47**	**46.67**	**582.76**	**21.25**	**681.15**

28. Financial risk management (continued)

C. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

i. Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency revenues and expenses, (primarily in US$) and foreign currency borrowings (in US$). A significant portion of the Company's revenues are in foreign currency, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to the foreign currency, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and these foreign currency has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non derivative financial instruments to mitigate the risk of changes in foreign currency exchange rates.

Outstanding foreign exchange derivative contracts not designated as hedge: (USD in millions)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Forward Contracts - 'Sell US$, Buy ₹	USD 20.08	USD 13.65	USD 12.79	USD 37.85	USD 18.25	USD 17.75

The following table analyses foreign currency risk in US$ from non derivative financial instruments:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Assets						
Trade receivables	2,828.77	1,937.62	1,574.16	1,294.80	1,504.58	681.76
Cash and cash equivalents	12.91	18.47	0.49	11.62	-	-
	2,841.68	**1,956.09**	**1,574.65**	**1,306.42**	**1,504.58**	**681.76**
Liabilities						
Current borrowings	260.21	591.93	647.46	-	520.56	62.86
Financial guarantee liability	10.29	15.35	2.29	6.84	11.37	-
	270.50	**607.28**	**649.75**	**6.84**	**531.93**	**62.86**

The following table analyses foreign currency risk from non derivative financial instruments:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
₹/USD - Increase by 2%	51.42	26.98	18.50	25.99	19.45	12.38
₹/USD - Decrease by 2%	(51.42)	(26.98)	(18.50)	(25.99)	(19.45)	(12.38)

* Holding all other variables constant

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company'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. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

29. Capital management

The Company'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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Particulars	**As at 31 December 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Borrowings	392.37	1,006.54	911.39	517.63	928.87	629.43
Less: Cash and cash equivalent	(58.13)	(328.14)	(326.96)	(136.96)	(244.69)	(106.68)
Net debt	**334.24**	**678.40**	**584.43**	**380.67**	**684.18**	**522.75**
Equity share capital	40.00	40.00	40.00	40.00	40.00	40.00
Other equity	5,110.59	3,816.86	3,002.09	2,482.46	1,904.85	1,435.40
Total equity attributable to owners	**5,150.59**	**3,856.86**	**3,042.09**	**2,522.46**	**1,944.85**	**1,475.40**
Net debt to equity ratio	**6.49%**	**17.59%**	**19.21%**	**15.09%**	**35.18%**	**35.43%**

30. In accordance with Ind AS 108 - 'Operating segments', segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these Restated Ind AS Standalone Financial Information.

31. Gratuity

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service upto a maximum of ₹1 million.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

	As at 31 December 2017	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Future Salary rise	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Discount rate	7.69%	6.69%	7.46%	7.77%	9.19%	8.06%
Attrition rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long term plans of growth and industry standards.

(ii) Upto 31 March 2017, the Company had an unfunded gratuity plan. As at 31 December 2017, the plan is partly funded with an insurance company in the form of a qualifying insurance policy.

(a) The components of gratuity cost recognised in the statement of profit and loss consist of the following:

	For the nine months ended 31 December 2017	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
Current service cost	1.12	1.49	0.94	0.54	0.53	0.33
Interest on net defined benefit liability, net	0.67	0.66	0.54	0.38	0.31	-
Gratuity cost recognised in statement of profit and loss	**1.79**	**2.15**	**1.48**	**0.92**	**0.84**	**0.33**

(b) Details of the employee benefits obligations and plan assets are provided below:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of funded obligations	13.13	-	-	-	-	-
Fair value of plan assets	11.57	-	-	-	-	-
Net defined benefit liability of funded plan	**1.56**	**-**	**-**	**-**	**-**	**-**
Unfunded plan	-	11.81	8.90	7.01	4.10	3.84
Net defined benefit liability recognised	**1.56**	**11.81**	**8.90**	**7.01**	**4.10**	**3.84**

(c) Details of changes in the present value of defined benefit obligations are as follows:

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Defined benefit obligations at the beginning of the year	11.81	8.90	7.01	4.10	3.84	2.72
Current service cost	1.12	1.49	0.94	0.54	0.53	0.33
Interest on net defined benefit liability, net	0.67	0.66	0.54	0.38	0.31	-
Remeasurement - Actuarial (gain)/loss on obligation						
Due to Financial Assumption	0.14	0.77	0.24	0.79	(0.41)	-
Due to Experience	(0.61)	(0.01)	0.17	1.20	(0.17)	0.79
Defined benefit obligations at the end of the period/ year	**13.13**	**11.81**	**8.90**	**7.01**	**4.10**	**3.84**

(d) Details of fair value of plan assets are as follows:
Fair Value of Plan Assets

	As at 31 December 2017
At the beginning of the year	-
Return on Plan Assets	(0.20)
Interest income	0.33
Contributions by Employer	11.43
Fair Value of Plan Assets at end of the period	**11.57**

(iii) Sensitivity analysis

Details of the present value of defined benefit obligation in case of changes in the below assumptions:

	Discount rate*		Future salary*	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31 December 2017	12.17	14.22	14.17	12.20
As at 31 March 2017	10.57	12.71	12.64	10.61
As at 31 March 2016	8.17	9.75	9.70	8.19
As at 31 March 2015	6.44	7.68	7.64	6.45
As at 31 March 2014	3.79	4.45	4.44	3.79
As at 31 March 2013	3.53	4.21	4.19	3.54

* Holding all other variables constant

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The expected future cash outflows in respect of defined benefit obligations were as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Expected outgo first	1.79	1.10	0.91	0.73	0.48	0.42
Expected outgo second	1.44	1.10	0.91	0.73	0.48	0.42
Expected outgo third	1.45	1.14	0.92	0.73	0.48	0.42
Expected outgo fourth	1.44	1.10	0.95	0.73	0.48	0.42
Expected outgo fifth	1.77	1.21	0.92	0.76	0.48	0.42
Thereafter	5.24	6.15	4.29	3.33	1.70	1.74

32. Related party disclosures

(a) **Names of the related parties and nature of relationship**

Names of related parties	**Nature of relationship**
Devi Sea Foods Inc., USA Devee Power Corporation Limited (till 30 September 2015)	Subsidiary Companies
P Brahmanandam K.A. John G. Sambasiva Rao P. Suryavathi P. Rama Devi P. Naveena	Key management personnel ("KMP")
Maximus ARC Limited (with effect from 23 March 2015)	Associate Company

(b) **Transactions with related parties**

	For the period ended 31 December 2017	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
Devi Sea Foods Inc., USA						
Sale of goods	6,313.66	6,984.00	6,244.39	5,952.23	4,495.64	2,327.48
Commission on corporate guarantee	5.05	5.63	4.55	4.54	0.39	-
Maximus ARC Limited						
Investment in equity shares	-	227.00	-	9.80	-	-
Transactions with KMP						
Purchase of land						
P. Rama Devi	-	3.15	-	-	-	-
P. Naveena	-	7.11	-	-	-	-
Rent						
P. Suryavathi	0.60	0.60	-	-	-	-
Purchase of raw material						
P Brahmanandam	-	-	-	3.17	3.68	-
Managerial remuneration*						
P Brahmanandam	57.50	45.00	30.00	29.40	14.40	14.40
K.A. John	2.70	3.60	3.60	3.39	0.95	0.85
G. Sambasiva Rao	11.70	6.00	6.00	5.80	4.80	1.80
P. Suryavathi	5.40	7.20	7.20	6.60	3.60	3.60
P. Rama Devi	17.26	23.01	9.90	9.60	6.60	3.60
P. Naveena	17.24	22.99	9.90	9.60	6.60	3.60

*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits'. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

(c) **Balances receivable/(payable)**

	As at 31 December 2017	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Subsidiary Company						
-- trade receivables	2,105.77	1,595.52	1,340.65	1,008.55	976.70	448.79
-- financial guarantee liability	10.29	15.35	2.29	6.84	11.37	-
KMPs	-	(20.22)	(0.10)	-	(6.22)	(5.53)

(d) **Transaction with related parties**

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices.

33. First-time adoption of Ind-AS

These Restated Ind AS Standalone Financial Information, are the first time, the Company has prepared its financial statements in accordance with Ind AS, only for the purpose of its inclusion in the Offer Document. For the purpose of transition from Indian GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from 1 April 2012 ("transition date").

A. Exemptions and exceptions availed

(a) Ind AS optional exemptions

(i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment 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. Accordingly, the Company has elected to measure all of its property, plant and equipment at their Indian GAAP carrying value.

(iii) Investment in subsidiary and associate

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in subsidiaries, joint ventures and associates 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. Accordingly, the Company has elected to measure its investment in subsidiary and associate at their Indian GAAP carrying value.

(b) Ind AS mandatory exceptions

(i) 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 Indian 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 1 April 2012 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:
-Investment in equity instruments carried at FVTPL; and
-Impairment of financial assets based on expected credit loss model.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Reconciliation of equity as reported under Indian GAAP and that computed under Ind AS

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Equity as per Indian GAAP	**4,766.63**	**3,489.14**	**2,581.74**	**2,113.30**	**1,620.29**	**1,183.66**
A. Impact of prior period adjustment						
Effect of measuring investments at amortised cost	302.58	344.03	338.20	346.83	231.03	204.63
Effect of recognition of export incentive income on accrual basis	-	-	162.00	125.28	135.27	32.83
Effect of remeasurement of post-employment benefit obligations	-	(0.06)	(8.90)	(7.01)	(4.10)	(3.84)
Tax impact on account of above adjustment	(104.72)	(119.04)	(170.03)	(158.09)	(123.11)	(75.80)
	197.86	224.93	321.27	307.01	239.09	157.82
B. Impact of Ind-AS adjustments						
Derecognition of liability for proposed dividend including tax on distributed profits	-	-	-	-	-	93.60
Effect of measuring derivative instruments at FVTPL	(0.59)	(9.19)	26.37	43.59	8.46	20.29
Effect of measuring investments at FVTPL	-	-	2.96	2.24	1.73	1.00
Effect of measuring investments at amortised cost	191.10	155.95	127.26	98.88	82.19	64.64
Effect of accounting government assistance related to assets, net	54.35	38.38	41.24	9.89	11.81	3.15
Recognition of guarantee fee commission, net	20.16	15.10	9.47	4.92	0.39	-
Impact on current and deferred taxes	(78.96)	(57.45)	(68.21)	(57.37)	(72.79)	(45.39)
Others	0.04	-	(0.01)	-	(5.00)	(3.37)
	186.10	142.79	139.08	102.15	26.79	133.92
Equity as per restated IND AS	**5,150.59**	**3,856.86**	**3,042.09**	**2,522.46**	**1,886.17**	**1,475.40**

(d) Reconciliation between financial results as reported under Indian GAAP and Ind AS

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit after tax as per Indian GAAP	1,282.31	907.40	492.51	522.19	436.64	240.45
A. Impact of prior period adjustment						
Effect of measuring investments at amortised cost	(41.45)	5.83	(8.63)	115.80	26.40	133.10
Effect of recognition of export incentive income on accrual basis	-	(162.00)	36.72	(9.99)	102.44	(175.75)
Effect of remeasurement of post-employment benefit obligations	-	9.60	(1.48)	(0.93)	(0.83)	(0.58)
Tax impact on account of above adjustment	14.32	50.99	(11.94)	(34.98)	(47.31)	14.28
	(27.13)	(95.58)	14.67	69.90	80.70	(28.95)
B. Impact of Ind-AS adjustments						
Effect of measuring derivative instruments at FVTPL	8.60	(35.56)	(17.22)	35.12	(11.83)	96.61
Effect of measuring investments at FVTPL	-	(2.96)	0.72	0.50	0.74	0.46
Effect of measuring investments at amortised cost	35.15	28.69	28.38	16.69	17.54	5.72
Effect of accounting government assistance related to assets	15.97	(2.85)	31.34	(1.92)	8.67	3.67
Recognition of guarantee fee commission	5.05	5.63	4.55	4.54	0.39	-
Impact on current and deferred taxes	(21.32)	10.75	(10.83)	(4.53)	(7.45)	(20.17)
Others	(0.09)	(0.75)	(0.42)	(2.08)	(1.08)	(2.44)
	43.36	2.95	36.52	48.32	6.98	83.85
Total comprehensive income for the year under Ind AS	**1,298.54**	**814.77**	**543.70**	**640.41**	**524.32**	**295.35**

(e) Notes to first-time adoption:

1 Derivatives not designated as hedging instruments

Under the Indian GAAP, the Company applied the requirements of "Accounting Standard 11 - The effects of changes in foreign exchange rates", to account for foreign currency forward contracts. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss.

2 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12, has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

3 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As per the management's assessment, due to ECL model, there is no impact on the allowance for doubtful debts.

4 Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under Indian GAAP, these transaction costs incurred in connection with borrowings are amortised and charged to profit or loss thereon over the period of borrowings. The management assesses that there is no material impact on the total equity and profit for the periods on account of the aforesaid transition.

5 Proposed dividend (including dividend distribution tax)

Under the Indian GAAP till 31 March 2016, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) included under short-term provisions has been de-recognised against retained earnings. Consequently, the total equity increased by an equivalent amount.

6 Remeasurement of post-employment benefit obligations

Under Indian GAAP till 31 March 2016, the Company has recognized gratuity expense on payment basis. For the purpose of the Restated Ind AS Standalone Financial Information, the said prior period item has been appropriately adjusted in the respective financial year to which they relate. Further under Ind AS, remeasurement 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 Indian GAAP, this remeasurement was forming part of the profit or loss for the year ended 31 March 2017.

7 Retained earnings

Retained earnings as at 1 April 2012 has been adjusted consequent to the above Ind AS transition adjustments.

8 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

9 Key-man insurance policies

Under Indian GAAP, the Company has charged-off to the statement of profit and loss premium payments made under the key man insurance policies. Concurrently, receipts received under the key man insurance policies were recognized as income instead of adjusting against the carrying value of Investment, after recognition of proportionate income. For the purpose of these Restated Ind AS Standalone Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate. Further, under Ind-AS, investment in key man insurance policies is measured at amortized cost using the effective interest rate.

10 Export incentive income

The Company till the year ending 31 March 2016, has recognized income from export incentives on receipt basis. For the purpose of these Restated Ind AS Standalone Financial Information, the said prior period item have been appropriately adjusted in the respective financial year to which they relate.

11 Export Promotion Credit Guarantee

Under Ind AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statement of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Company, therefore, recorded an adjustment to measure such property, plant and equipment in accordance with Ind AS 16. Under Indian GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets.

12 Corporate Guarantee

Under Ind AS, corporate guarantee issued on behalf of subsidiary without any commission has been measured at fair value with corresponding impact adjusted to the carrying value of investment in the respective subsidiary. Consequently, guarantee commission for the respective period has been recognised through statement of profit and loss. There was no corresponding treatment for corporate guarantee under the Indian GAAP.

13 Impact of Ind AS adoption on the Statement of Cash Flows

	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net cash generated from/(used in) operating activities (A)						
As per IGAAP	605.31	209.42	155.61	671.20	(218.42)	390.18
Adjustments on transition to Ind AS	(41.58)	29.79	(53.93)	143.19	60.77	47.85
As per Ind AS	563.73	239.21	101.68	814.39	(157.65)	438.03
Net cash generated from/(used in) investing activities (B)						
As per IGAAP	(208.47)	(248.13)	(346.01)	(530.76)	(61.73)	143.73
Adjustments on transition to Ind AS	27.83	(12.73)	119.18	45.06	177.82	(476.39)
As per Ind AS	(180.64)	(260.86)	(226.83)	(485.70)	116.09	(332.66)
Net cash generate from/(used in) financing activities (C)						
As per IGAAP	(653.13)	41.16	327.36	(456.58)	257.48	(70.44)
Adjustments on transition to Ind AS	0.03	(18.33)	(12.21)	20.16	(77.91)	93.74
As per Ind AS	(653.10)	22.83	315.15	(436.42)	179.57	23.30
Net increase/(decrease) in cash and cash equivalents (A+B+C)						
As per IGAAP	(256.29)	2.46	136.96	(316.14)	(22.67)	463.47
Adjustments on transition to Ind AS	(13.72)	(1.27)	53.04	208.41	160.68	(334.80)
As per Ind AS	(270.01)	1.18	190.00	(107.73)	138.01	128.67
Cash and cash equivalents at the beginning of the year						
As per IGAAP	328.14	325.69	188.73	504.87	527.54	64.07
Adjustments on transition to Ind AS	-	1.27	(51.77)	(260.18)	(420.86)	(86.06)
As per Ind AS	328.14	326.96	136.96	244.69	106.68	(21.99)
Cash and cash equivalents as at the end of the year						
As per IGAAP	71.85	328.14	325.69	188.73	504.87	527.54
Adjustments on transition to Ind AS	(13.72)	-	1.27	(51.77)	(260.18)	(420.86)
As per Ind AS	58.13	328.14	326.96	136.96	244.69	106.68

14 In accordance with the Companies (Indian Accounting Standards) Rules, 2015 dated 16 Feb 2015, the Company is required to prepare its Annual Standalone Financial Statements for the year ended 31 March 2018, with the comparitives for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 (date of transition - 1 April 2016). Accordingly, the amounts and figures included in these Restated Ind AS Standalone Financial Information (with date of transition - 1 April 2012) for the nine months ended 31 December 2017, year ended 31 March 2017 and balances as at 31 March 2016 may vary from the Annual Standalone Financial Statements of the Company for the year ended 31 March 2018 on account of difference in the date of transition under Ind AS viz 1 April 2012 vs. 1 April 2016.

Devi Sea Foods Limited

Annexure VII: Statement of Adjustments to IGAAP Audited Standalone Financial Statements

(All amounts in ₹ million, except share data and where otherwise stated)

Summarized below are the restatement adjustments made to the IGAAP Audited Standalone Financial Statements for the nine months ended 31 December 2017, and for the year ended 31 March 2017, 2016, 2015, 2014 and 2013 and their impact on the profit of the Company.

		Notes	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
A	**Net profit after tax as per Indian GAAP**		**1,282.31**	**907.40**	**492.51**	**522.19**	**436.64**	**240.45**
(a)	**Impact of prior period adjustment**							
	Effect of measuring investments at amortised cost		(41.45)	5.83	(8.63)	115.80	26.40	133.10
	Effect of recognition of export incentive income on accrual basis		-	(162.00)	36.72	(9.99)	102.44	(175.75)
	Effect of remeasurement of post-employment benefit obligations		-	9.60	(1.48)	(0.93)	(0.83)	(0.58)
	Tax impact on account of above adjustment		14.32	50.99	(11.94)	(34.98)	(47.31)	14.28
			(27.13)	(95.58)	14.67	69.90	80.70	(28.95)
(b)	**Impact of Ind-AS adjustments**							
	Effect of measuring derivative instruments at FVTPL		8.60	(35.56)	(17.22)	35.12	(11.83)	96.61
	Effect of measuring investments at FVTPL		-	(2.96)	0.72	0.50	0.74	0.46
	Effect of measuring investments at amortised cost		35.15	28.69	28.38	16.69	17.54	5.72
	Effect of accounting government assistance related to assets		15.97	(2.85)	31.34	(1.92)	8.67	3.67
	Recognition of guarantee fee commission		5.05	5.63	4.55	4.54	0.39	-
	Impact on current and deferred taxes		(21.32)	10.75	(10.83)	(4.53)	(7.45)	(20.17)
	Others		(0.09)	(0.75)	(0.42)	(2.08)	(1.08)	(2.44)
			43.36	2.95	36.52	48.32	6.98	83.85
B	**Total comprehensive income as per Ind AS**		**1,298.54**	**814.77**	**543.70**	**640.41**	**524.32**	**295.35**
C	**Material restatement adjustments**							
	Other adjustments							
	Countervailing duty refund	**(i)**	-	-	-	(58.68)	58.68	-
	Tax impact on account of above adjustment		-	-	-	19.95	(19.95)	-
	Total material restatement adjustments		-	-	-	(38.73)	38.73	-
D	**Total comprehensive income as per the Restated Ind AS Standalone Financial Information**		**1,298.54**	**814.77**	**543.70**	**601.68**	**563.05**	**295.35**

Notes:

(i) During the year ended 31 March 2015, the Company had received refund of countervailing duty which was expensed off during the financial year ended 31 March 2014. For the purpose of this statement, the said refund has been appropriately adjusted to the year to which it pertains.

The tax rate applicable for the respective year has been used to calculate the deferred tax impact on other restatement adjustments.

E Material regroupings:

Appropriate adjustments have been made in the Restated Ind AS Standalone Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the requirements of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) and as per Ind AS as notified under section 133 of the Act.

F Adjustments for audit qualifications/Emphasis of matter :

(a) There are no audit qualifications in respect of financials of last five years of the Company and for the nine months period ended 31 December 2017.

(b) Modifications in the auditor's report and statements/comments included in the auditor's report on the audited financial statements of the Company for the nine months ended 31 Decem ber 2017 and for the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 which do not require any corrective adjustments in the Restated Ind AS Standalone Financial Information are as follows:

For the financial year ended 31 March 2017:

(i) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, except the director mentioned below none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act. Devaram Balaramy Ravireddy (DIN: 00175559) director of the Company, intimated to the Board of Directors that, he was disqualified from being continuing as director as on 31/03/2017 under section 164 (2) clause (a) of the Act. The aforesaid director has ceased to hold the office w.e.f 25 August 2017.

(ii) According to the information and explanations given to us, details of disputed, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31 March 2017 on account of any dispute are given below:

Statute	Nature of dues	Amount involved	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	24.19	FY 2012-13	CIT (Appeals), Visakhapatnam

For the financial year ended 31 March 2014 :

(iii) According to the information and explanations given to us, details of disputed, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31 March 2014 on account of any dispute are given below:

Statute	Nature of dues	Amount involved	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.60	AY 2009-10	Income Tax Appellate Tribunal

iv) **Emphasis of matter for the nine months period ended 31 December 2017**

We draw attention to a note to the Standalone Interim Ind AS Financial Statements, which inter-alia describes the basis of accounting, and explanation regarding interim financial statements being prepared without comparative information, as required under Ind-AS 34 "Interim Financial Reporting". It has no impact on the interim financial information. Our opinion is not modified in respect of this matter.

G Reconciliation of Equity as at 1 April 2012

	As at 1 April 2012
Equity as per Indian GAAP	1,036.80
A. Impact of prior period adjustment	
Effect of measuring investments at amortised cost	71.53
Effect of recognition of export incentive income on accrual basis	208.58
Effect of remeasurement of post-employment benefit obligations	(2.48)
Tax impact on account of above adjustment	(90.08)
	187.55
B. Impact of Ind-AS adjustments	
Effect of measuring derivative instruments at FVTPL	(76.32)
Effect of measuring investments at FVTPL	0.54
Effect of measuring investments at amortised cost	58.92
Effect of accounting government assistance related to assets, net	(0.53)
Impact on current and deferred taxes	(25.22)
Others	(1.70)
	(44.30)
Equity as per Ind-AS	**1,180.05**

Devi Sea Foods Limited

Annexure VIII - Restated Standalone Statement of Other Income

(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	Nature (Recurring/ Non-recurring)	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Gain on financial instruments measured on amortised cost, net							
-Key Man insurance policies	Recurring	35.15	28.69	28.39	16.69	17.54	5.73
-Guarantee fee income	Recurring	5.05	5.63	4.55	4.54	0.39	-
-Interest income	Recurring	6.29	22.85	27.81	26.16	29.97	34.47
Gain on financial instruments at FVTPL, net							
-Derivative financial instruments	Recurring	-	26.22	-	35.12	-	96.61
-Current investments	Non-recurring	-	-	0.72	0.50	0.74	0.46
Gain on sale of investments, net	Non-recurring	-	11.15	10.46	0.05	-	0.01
Foreign exchange gain, net	Recurring	70.58	42.47	76.67	139.49	-	-
Profit on sale of assets, net	Non-recurring	0.11	0.88	0.71	1.16	1.49	77.29
Other income	Non-recurring	0.23	-	-	1.00	-	3.84
Total Restated Other Income as per Ind AS		**117.41**	**137.89**	**149.31**	**224.71**	**50.13**	**218.41**

Devi Sea Foods Limited
Annexure IX - Restated Standalone Statement of Accounting Ratios
(All amounts in ₹ million, except share data and where otherwise stated)

S.No	Particulars	For the nine months ended 31 December 2017#	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
	Net Profit available to Equity Shareholders	1,298.23	815.27	543.94	602.99	562.62	295.88
	Total outstanding shares at the end of the period (Refer note 6 below)	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
	Weighted average number of equity shares (Refer note 6 below)	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
	Net Worth for Equity Shareholders	5,150.59	3,856.86	3,042.09	2,522.46	1,944.85	1,475.40
	Face value (₹)	2.00	2.00	2.00	2.00	2.00	2.00
	Accounting Ratios:						
i.	Earnings per share (Refer note 6 below)						
	-Basic and Diluted Earnings per Share **[in absolute ₹]**	21.64	13.59	9.07	10.05	9.38	4.93
ii.	Return on net Worth for equity shareholders	25.21%	21.14%	17.88%	23.90%	28.93%	20.05%
iii.	Net Asset Value Per Share **[in absolute ₹]**	85.84	64.28	50.70	42.04	32.41	24.59

Not annualised

Note:

Notes :

1 The ratio has been computed as below:

Basic and diluted earnings per share (₹) = $\dfrac{\text{Net Profit available to Equity Shareholders}}{\text{Weighted average number of equity shares for basic and diluted earnings per share}}$

Return on net worth (%) = $\dfrac{\text{Net Profit available to Equity Shareholders}}{\text{Net Worth for Equity Shareholders}}$

Net asset value per share (₹) = $\dfrac{\text{Net Worth for Equity Shareholders}}{\text{Total number of equity shares outstanding at end of the period}}$

2 Earning per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard 33 'Earnings per share' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

3 The amounts disclosed above are based on the Restated Ind AS Standalone Financial Information of the Company.

4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during the period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

5 Net worth means the aggregate value of the paid up share capital of the Company and other equity as per the Restated Standalone Statement of Assets and Liabilities of the Company.

6 Pursuant to the approval accorded by the shareholders of the Company at the Extra Ordinary General Meeting held on 30 January 2018, equity shares of ₹100 each was sub-divided into 50 equity shares of ₹2 each. Further, the Company on 22 February 2018 has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. Consequently, as required by Ind AS 33 "Earning per Share", the basic and diluted earnings per share of the previous periods presented have been recomputed and disclosed accordingly.

Devi Sea Foods Limited
Annexure X - Restated Standalone Statement of Capitalisation
(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	Pre-issue as at 31 December 2017
Debt:	
Long-term debt **(A)**	97.12
Short-term debt	295.25
Total debt (B)	**392.37**
Shareholders Funds:	
Equity share capital	40.00
Other equity	5,110.59
Total shareholders funds (C)	**5,150.59**
Long-term debt / Shareholder's fund **(A/C)**	**0.02**
Total debt / Shareholder's fund **(B/C)**	**0.08**

Notes:
1) The above ratios has been computed on the basis of the Restated Standalone Statement of Assets and Liabilities
2) The Company is proposing an initial public offering through offer for sale. Hence there will be no change in the shareholders' funds post issue.
3) Subsequent to 31 December 2017, the Company has split its equity shares of ₹100 each into 50 equity shares of ₹2 each. Further the Company has issued and allotted 40,000,000 equity shares of ₹2 each to the eligible shareholders as bonus equity shares in the ratio of 2:1 by way of capitalizing reserves. There will be no change in the shareholders' funds, on account of said capital restructuring.

Devi Sea Foods Limited

Annexure XI: Restated Standalone Statement of Dividend

(All amounts in ₹ million, except share data and where otherwise stated)

Particulars	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Equity shares						
Number of shares	400,000	400,000	400,000	400,000	400,000	400,000
Face value (₹)	100.00	100.00	100.00	100.00	100.00	100.00
Amount	40.00	40.00	40.00	40.00	40.00	40.00
Final Dividend						
Rate of dividend (%)	-	10%	-	-	-	200%
Dividend per share (₹)	-	10.00	-	-	-	200.00
Dividend Paid (₹ in millions)	-	4.00	-	-	-	80.00
Tax on distributed profits (₹ in millions)	-	0.81	-	-	-	13.60
Interim dividend						
Rate of dividend (%)	-	-	50%	50%	-	-
Dividend per share (₹)	-	-	50.00	50.00	-	-
Dividend Paid (₹ in millions)	-	-	20.00	20.00	-	-
Tax on distributed profits (₹ in millions)	-	-	4.07	4.07	-	-

Devi Sea Foods Limited

Annexure XII: Restated Standalone Statement of Tax Shelter

(All amounts in ₹ million, except share data and where otherwise stated)

	Particulars	For the nine months ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
A	**Profit before tax as restated**	**1,998.19**	**1,266.30**	**839.55**	**920.50**	**872.66**	**455.82**
B	Company's domestic tax rate	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
C	Tax using the Company's domestic tax rate	**691.53**	**438.24**	**290.55**	**312.88**	**296.62**	**147.89**
	Adjustments:						
	Tax impact of permanent differences due to:						
	Expense not allowed for tax purposes	7.21	6.51	(0.48)	4.92	3.16	6.84
	Income not considered for tax purpose/ Exempt income	-	(3.26)	(1.64)	(2.38)	(2.97)	(4.11)
	Difference in tax rate						
	Long term capital gains	-	(1.29)	-	-	-	(22.64)
	Others	0.08	8.57	0.30	0.62	4.70	(0.06)
D	**Total Tax impact of permanent differences**	**7.29**	**10.53**	**(1.82)**	**3.16**	**4.89**	**(19.97)**
	Tax impact of timing differences due to:						
	Property, plant and equipment & Intangible assets	(5.34)	(3.47)	(11.65)	12.58	(0.41)	44.09
	Employee benefits	0.54	(3.30)	0.51	(0.85)	0.32	1.30
	Investments	2.18	(10.92)	(7.09)	(45.20)	(15.19)	(45.19)
	Derivative instruments	(2.98)	12.31	5.96	(11.94)	4.02	(31.35)
	Other assets	-	56.07	(12.71)	23.34	(54.77)	57.02
E	**Total Tax impact of timing differences**	**(5.60)**	**50.69**	**(24.98)**	**(22.07)**	**(66.03)**	**25.87**
F	Net adjustments (D+E)	1.69	61.22	(26.80)	(18.91)	(61.14)	5.90
G	**Tax Liability (C-F)**	**693.22**	**499.46**	**263.75**	**293.97**	**235.48**	**153.79**

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of procuring raw material and for their processing, packaging and other activities.

As on February 14, 2018, the aggregate outstanding borrowings of our Company on a consolidated basis is as follows:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Company		
Fund Based		
Packing Credit	750	19.44
FDBP/FUDBP/AFDBC	500	Nil
Loans availed from LIC*	118.60	94.10
Non Fund Based		
Inland/Import Letter of Credit	67.10	2.49
Standby Letter of Credit	20.10	Nil
Subsidiary		
Loan**	1,603	1,131.08
Total	**3,058.80**	**1,247.11**

** Loans availed from Life Insurance Corporation of India which are secured against the key man insurance held with them*
***Conversion rate as of February 14, 2018, 1 US$ = ₹64.12 (Source: RBI Reference Rate)*

Principal terms of the borrowings availed by our Company:

As of the date of this Draft Red Herring Prospectus, the documentation pertaining to our borrowings from the Union Bank of India are in the process of being renewed. Set out below are the key terms and conditions pertaining to such borrowings based on the previously subsisting documentation. The terms, conditions and requirements under the renewed documentation in this regard may be different from the terms and conditions set out below, and the disclosure below is indicative and does not and should not be construed to imply that renewal will occur on similar terms. Details of the renewed documentation pertaining to such borrowings shall be disclosed in the Red Herring Prospectus to be filed with the RoC.

1. ***Interest:*** In terms of the fund based facilities availed by us, the interest rate ranges from 0.30% to 0.80% over the base rate per annum.

2. ***Tenor:*** The tenor of the facilities availed by us is one year, with an option of renewal every year.

3. ***Purpose:*** The credit facilities may only be employed towards purchase of raw materials and for manufacture of goods intended for export under firm contracts, orders or letters of credit and related activities.

4. ***Security:*** In terms of our borrowings where security needs to be created, we are required to create primary security by way of hypothecating stocks and consumables (including all movable properties intended for export such as shrimp and sea foods, raw material, semi finished goods, finished goods etc. lying at the specified locations), export documents and lien on the Company's deposits and provide a secondary security cover by:

    a) Creating security by way of equitable mortgage on certain of our Company's fixed assets (including land and building comprising our shrimp processing plants, shrimp hatchery and shrimp culture farm);

    b) Hypothecating the plant and machinery at our shrimp processing plants, shrimp hatchery and shrimp culture farms;

    c) Creating security by way of mortgage on fixed assets belonging to our Promoter, P. Brahmanandam and certain members of our Promoter Group

    d) Procuring personal guarantees by each of our Whole-time Directors and P. Suryavathi, our Promoter.

5. ***Repayment:*** The credit facilities are repayable on demand.

6. Key Covenants:

Some of the key covenants under the credit facilities *inter-alia* include:

a) In case any of the goods are not exported, the Company is required to repay the outstanding amount immediately together with applicable interest. The prior written consent of the lender is required for selling unexported goods to any other purchaser and such proceeds will be credited to the loan account.

b) Our Company is not permitted to dispose the hypothecated goods locally without the prior written consent of the lender.

c) Our Company is required to maintain a whole turnover packing credit guarantee and forward cover for foreign currency payments to be received by our Company in case of exchange rate fluctuations.

d) The lender has a right to recall the credit facility at any time in the event operation of such facility is not satisfactory or in case of any breach of the terms of the credit facility or for any other reason that the lender may deem fit.

Principal terms of the borrowings availed by our Subsidiary

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Subsidiary:

1. ***Interest:*** Libor plus 162.5 basis points, unless a loan is converted to a liber contract rate loan, or prime rate loan.

2. ***Security:*** The loan is guaranteed by our Company and secured by a pledge of all assets of our Subsidiary.

3. ***Repayment:*** The Subsidiary is obligated to pay all receivables into a "blocked account" maintained with the bank, which the bank periodically unilaterally applies towards any principal or interest then outstanding.

4. Key Covenants:

Some of the key covenants under the credit facilities *inter-alia* include:

a) A restriction on the Subsidiary incurring additional debt, or liens, except in limited specified instances.

b) Events of default include, among other things: (i) failure to make any payment of interest or principal, or amounts due under letters of credit, or other payment obligations for more than 15 days beyond the due date, (ii) failure to comply with financial covenants or ratios; (iii) breach of any other loan agreement involving the lender and the Subsidiary or our Company, beyond applicable grace and notice periods; (iv) breach of non-payment obligations, in some instances after notice; and (v) a default under the Subsidiary's agreements with certain identified customers.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial information as of and for the nine months ended December 31, 2017 and the financial years ended March 31, 2017, 2016 and 2015, including the related notes, schedules and annexures (the "**Restated Consolidated Financial Statements**"). The Restated Consolidated Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. For further information, see the Restated Consolidated Financial Statements which begin on page 174 of this Draft Red Herring Prospectus.*

Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" beginning on pages 14 and 16, respectively.

Overview

We are a leading producer of processed shrimp and shrimp feed headquartered in Visakhapatnam, Andhra Pradesh. For fiscal year 2017, we were the second largest exporter of shrimps from India in value terms and we have also received awards from MPEDA for two consecutive years (fiscal years 2016 and 2017) for being the second largest exporter (in value terms) of seafood as well as for frozen shrimps from India (*Source: CRISIL Research*). We have a 25 year history in shrimp processing and sell processed shrimp with varying degrees of value addition to our customers, located primarily in the United States. Our major customers in the United States include food service distributors, restaurant chains, retailers and distributors, and warehouse chains. We sell processed shrimp products in the United States market through our wholly owned subsidiary in the United States, Devi Sea Foods Inc. (the "**Subsidiary**"), which was incorporated in 2005. In March 2016, we started the complementary business of manufacturing quality shrimp feed.

We are an integrated player across the processed shrimp supply chain from shrimp seed production, raw shrimp procurement, processing, and overseas distribution to our customers. We procure raw shrimp primarily from aquaculture farmers across the east and west coast of India, and also produce small quantities of raw shrimp at our captive shrimp farms. We process raw shrimp into exportable "ready to eat" or "ready to cook" frozen forms at our processing facilities. We have two shrimp processing facilities located in Andhra Pradesh. As of December 31, 2017, the combined installed capacity of our shrimp processing facilities was 19,250 MT.

According to CRISIL Research, the global per capita consumption of seafood increased from nearly 18 kg in 2007 to over 20 kg in 2017 and is expected to increase further to approximately 22 kg by 2026, driven by rising population and disposable income. In 2017, India was the third largest seafood producer and the second largest aquaculture producer in the world and amongst the top five shrimp producers globally. As a result of its vast coastline, suitable climatic conditions for shrimp production, abundant availability of brackish water area, and abundant labor availability, shrimp production in India has grown at a CAGR of 30% for the period from 2010 to 2015. The United States is the biggest importer for processed shrimp in the world and is highly dependent on imports to meet its domestic requirements. CRISIL Research expects that over the next three years (fiscal 2018-2020), Indian shrimp and prawn exports will grow at a CAGR of 16-18% in value terms and 15-16% in volume terms. Further, CRISIL Research expects the shrimp feed industry to grow at a CAGR of 15-17% in volume terms and 20-22% in value terms by fiscal year 2020. For further details, please see "*Industry Overview*" on page 91. We expect to leverage our strengths to capitalize on the growth in the processed shrimp and shrimp feed industry segments.

We export our processed shrimp primarily to North America and also to South-East Asia and other markets. In the United States, we have bulk supply orders from our major customers for the supply of processed shrimp, typically for a one year period, and in the case of our largest customer (in terms of revenue), three years. Our Subsidiary provides vendor managed inventory services to our major customers across various locations in the United States, which involves procurement of processed shrimp at pre-specified quality standards and product specifications (from our Company and from other producers based primarily in India, China and Indonesia), storing them in cold storage at warehouses in the United States and distributing to over 60 locations across the United States on a periodic basis. Our Subsidiary supplies shrimp through a "program" business model to our major customers, which we believe is a key competitive differentiator and has been instrumental in strengthening our relationship with these customers. Our major customers in the United States are a leading food service distributor, a full service restaurant chain, a seafood restaurant chain and a casual dining restaurant chain.

Further, we are excluded from anti-dumping duty levied by the United States Department of Commerce, in relation to the products manufactured and exported into the United States by us. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) We believe this provides us with a significant competitive advantage compared to other exporters of shrimp into the United States. For details, please see "*Industry Overview – Government Regulations in Key Consuming Countries*" on page 97.

In addition to our processed shrimp business segment, we manufacture shrimp feed under the "*Devee*" brand at our feed mill located in Andhra Pradesh. We commenced the production of shrimp feed in March 2016, and we believe that our shrimp feed has since been well received by the aquaculture farming community in India. We sell to shrimp farmers primarily in the states of Andhra Pradesh, Tamil Nadu, Gujarat and Odisha. We believe that our position in the shrimp industry has helped us to gain a sizeable market share in the Indian shrimp feed industry and our shrimp feed manufacturing capacity of 40,000 MT per annum which became operational by March 2016, was expanded to 80,000 MT per annum for the year ended March 31, 2017. We expect to add further capacity of 45,000 MT/PA by March 2018.

The table below sets forth certain key financial information in relation to our operations:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from operations	14,539.40	16,119.32	9,876.70	9,225.82
Total income	14,651.76	16,251.58	10,022.12	9,448.14
Revenue from operations as a percentage of total income (%)	99.23%	99.19%	98.55%	97.65%
Operating profit	2,143.73	1,599.90	1,139.53	1,044.38
Operating profit margin (%)(1)	14.74%	9.93%	11.54%	11.32%
EBITDA(2)	2,365.48	1,851.06	1,365.27	1,372.49
EBITDA Margin (%)(3)	16.14%	11.39%	13.62%	14.53%

Notes:

(1) Operating profit margin is the ratio of operating profit to revenue from operations, expressed as a percentage.

(2) We calculate our EBITDA by adding back depreciation and amortization expenses and finance costs to our profit before tax, for each of the periods indicated.

(3) EBITDA Margin is the ratio of our EBITDA to our revenue from operations, expressed as a percentage.

The table below sets forth certain key financial information relating to our shrimp segment:

	For the nine months ended December 31, 2017	**For financial year**		
		2017	**2016**	**2015**
	(Rs. in millions, except percentages)			
Revenue from shrimp operations	11,769.92	14,500.18	9,869.1	9,216.15
% of total revenue from operations (%)	80.95	89.96	99.9	99.9
Operating profit from shrimp operations	1,452.51	1,385.96	1,134.77	1,037.36
Operating profit margin (%)(1)	12.34	9.56	11.67	11.56
EBITDA(2)	1,586.92	1,544.85	1,303.81	1,332.26
EBITDA Margin(3)	13.48%	10.65%	13.21%	14.46%

Notes:

(1) Operating profit margin is the ratio of operating profit from shrimp operations to revenue from shrimp operations, expressed as a percentage.

(2) We calculate the EBITDA from our shrimp segment by adding back depreciation and amortization expenses and finance costs to profit before tax from shrimp operations, for each of the periods indicated.

(3) EBITDA Margin is the ratio of EBITDA from our shrimp segment to the revenue from shrimp operations, expressed as a percentage.

The table below sets forth certain key financial information relating to our shrimp feed segment:

	For the nine months ended December 31, 2017	For financial year 2017
	(Rs. in millions, except percentages)	
Revenue from shrimp feed	2,768.13	1,607.54
% of total revenue from operations (%)	19.04	9.97
Operating profit from shrimp feed	694.46	211.31
Operating profit margin (%)[(1)]	25.08	13.14
EBITDA[(2)]	744.46	250.78
EBITDA Margin[(3)]	26.89%	15.60%

Notes:

(1) Operating profit margin is the ratio of operating profit from shrimp feed to revenue from shrimp feed, expressed as a percentage.

(2) We calculate the EBITDA from our shrimp feed segment by adding back depreciation and amortization expenses and finance costs to profit before tax from shrimp feed, for each of the periods indicated.

(3) EBITDA Margin is the ratio of EBITDA from our feed segment to the revenue from feed operations, expressed as a percentage.

Significant Factors Affecting our Results of Operations

Industry trends relating to the shrimp production industry

Our results of operations are affected by the trends in shrimp production industry, in particular the growing demand for processed shrimp and shrimp feed in our key markets. According to CRISIL Research, the global demand for seafood has risen because of rising population and incomes, availability of a variety of fish and high protein content in seafood. In the period from 2007 to 2017, per capita seafood consumption increased from 17.8 kg to 20.8 kg, a CAGR of 1.6%. (*Source: CRISIL Research*) We have benefitted from the increasing demand for seafood and have increased our shrimp production over the years to meet the demand from our customers, which has driven our revenue growth.

CRISIL Research notes that the global seafood industry is set to grow further over the next few years, driven by rising demand and population. Over the next three years (fiscal year 2018 to 2020), CRISIL Research expects shrimp and prawn exports to record 16-18% CAGR in value terms, primarily driven by volumes, which CRISIL Research expects to register 15-16% CAGR. Further, in relation to the animal feed, CRISIL Research notes that India is one of the largest global producers of animal feed, with an annual production of 25-27 million MT for fiscal year 2017. CRISIL Research also expects the aqua feed segment to grow at a CAGR of 17-19% over the period from fiscal year 2017 to fiscal year 2020. (*Source: CRISIL Research*). For further details, please see "*Industry Overview*".

We are well positioned to benefit from the expected growth in the processed shrimp and shrimp feed markets.

Customer incumbency and concentration

Through our Subsidiary, we follow a "program" business model with our major customers in the United States, whereby we have bulk supply orders from these customers for the regular supply of processed shrimp over periods ranging from six months to a year, and in the case of our largest customers, three years. As a result, we benefit from customer incumbency and derive a significant portion of our revenues from repeat business from our major customers. Over the years, we have built long term relationships with five major customers in the United States and have consistently supplied large volumes of processed, frozen shrimp to them. Our major customers in the United States are a leading food service distributor in, a full service restaurant chain, a seafood restaurant chain and a casual dining restaurant chain. For further details on our program business model and the vendor managed inventory services provided by our Subsidiary, please see "*Our Business – Competitive Strengths – Our program business model and longstanding relationships with major customers*".

We believe that our market position as an integrated player across the shrimp supply chain and our focus on quality, along with the vendor managed inventory services that our Subsidiary provides to our major customers, has generated high customer loyalty, which has driven our revenue growth in prior periods. For the nine months ended December 31, 2017 and the years ended March 31, 2017, 2016 and 2015, we generated 87.27%, 81.87%, 82.80% and 96.03% of our total income from existing customers.

As our customer relationships mature and deepen, we seek to maximize our revenues and profitability by expanding the scope of products offered to customers. We also work closely with our major customers to analyse trends in retailers'/end-customers' requirements, which helps us in jointly anticipating trends in the processed shrimp market and being able to cater to changing trends and requirements. We believe that our ability to establish and strengthen customer relationships and expand the scope of products that we offer to our customers will be an important factor in our future growth.

On the other hand, as a significant portion of our revenue is generated from a limited number of large customers, if we are unable to maintain our relationships with such customers, our revenues from such customers and our overall results of operations will be adversely affected. For the nine months ended December 31, 2017 and the year ended March 31, 2017, 2016 and 2015, revenues from our top customer amounted to 33.27%, 38.04%, 54.52% and 59.07% of our revenue from operations. For the nine months ended December 31, 2017 and the years ended March 31, 2017, 2016 and 2015, revenues from our top two customers contributed 47.52%, 54.48%, 65.13% and 68.74% of our total revenue from operations, respectively. Further, for the nine months ended December 31, 2017 and the years ended March 31,2017, 2016 and 2015, revenue from our top five customers constituted 60.74%, 71.03%, 80.11% and 81.56%, respectively, of our total revenue from operations. For further details, see "*Our Business – Our Shrimp Division - Our processed shrimp customers and "program" business*".

Over the past few years, we have added new customers and have also diversified into the shrimp feed business segment, which has reduced the contribution of our major customers to our revenues. However, we expect that in the future a limited number of large customers will continue to comprise a large percentage of our revenue. Consequently, a loss of business from such large customers will reduce our sales volumes and our revenue from operations. See also "*Risk Factors – A significant portion of our revenue is generated from our limited number of large customers and if we are unable to maintain our relationship with such customers or if there is a reduction in their demand for our products, our business, results of operations and financial condition will be materially and adversely affected. Further, these large customers exercise substantial negotiating leverage with us, which could adversely impact our results of operations*."

Utilization levels of our processing facilities and feed mills and proposed capacity expansion

The key driver in the growth of our revenue from operations has been the volume of products manufactured by us. Increased sales volume favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and manufacturing and improves our operating margins through our ability to leverage our fixed cost base.

In order to maximize our profits, we must maintain optimum levels of capacity utilization at our processing facilities and feed mills and an appropriate standard of quality in our equipment and processes. Attaining and maintaining this level of utilization and quality requires considerable expense and planning. If we are unable to achieve and maintain optimum levels of capacity utilization at our manufacturing facilities in the future, our financial condition and results of operations may be adversely affected.

Further, our Subsidiary currently procures processed shrimp both from our Company's operations in India and from other producers in countries such as India, China and Indonesia. For the nine months ended December 31, 2017 and the year ended March 31, 2017, our Subsidiary procured 25.22% and 24.41% of processed shrimp sold by it to our customers from external companies, which was supplied to our major customers in the United States. We believe that there is a potential for us to expand our capacity in order to meet the additional demand requirements of our major customers in the United States that is currently met by purchases from other companies. With a view to expanding our operations and increasing our capacity, we intend to build a new processing plant in southern Andhra Pradesh. We believe that this capacity expansion will allow us to take advantage of the latent demand and opportunity for revenue growth from our existing customers.

Further, we are also currently in the process of expanding our production capacity for shrimp feed, which we hope will allow us to better meet our customer demand and increase our feed sales volumes.

Selling price of our products

The selling price of frozen shrimp in the United States is typically based on the Urner Barry's Seafood Price index. Urner Barry is a business publisher specializing in the reporting of market information pertaining to the food industry, including seafood prices. Urner Barry publishes prices based on various categories and geographic origin of frozen shrimp twice a week. With our largest customer, our selling price of frozen shrimp if based on the Urner Barry's Seafood Price index. With our other major customers with whom we have a program business, our selling prices are fixed in advance for periods of one year or six months, typically at a premium to the prevailing rate in the Urner Barry's Seafood Price index. With respect to all other customers for frozen shrimp, the prices are based on the Urner Barry's Seafood index.

The price of frozen shrimp is impacted by the demand and supply volumes of frozen shrimp. Movements in the Urner Barry index for frozen shrimp directly impact our revenue from operations, as it affects the price that we charge for our processed shrimp. In prior periods, the price for frozen shrimp has fluctuated greatly, thereby impacting our revenue from operations. For example, our average selling price of frozen shrimp for the year ended March 31, 2016 decreased to US$5.00/lb from US$6.48/lb in the year ended March 31, 2015 primarily as a result of a correction in the price of shrimp (which had consistently increased over prior periods). For further details on historic price movements, please see "*Industry Overview – Global Frozen Food Industry*". This decrease in average selling prices offset the growth in our sales volumes for the year ended March 31, 2016 compared with the year ended March 31, 2015. For further details, please see "*– Our Results of Operations – Year ended March 31, 2016 compared to the year ended March 31, 2015*".

The selling price of our shrimp feed depends on the demand and supply of quality shrimp feed in the market. CRISIL Research notes that shrimp farmers are required to maintain quality standards and are likely to prefer a more established brand of feed. Our ability to maintain a premium in the pricing of our shrimp feed, on the basis of our established presence in the shrimp value chain will drive our revenues from the shrimp feed business. For the nine months ended December 31, 2017 and years ended March 31, 2017 and March 31, 2016, the average selling price per ton of our shrimp feed was Rs. 62,911, Rs. 62,866 and Rs. 65,320, respectively.

Price and availability of raw materials and stock-in-trade

For the nine months ended December 31, 2017 and the years ended March 31, 2017, 2016 and 2015, our costs of materials consumed (including purchase of stock-in-trade and change in work in progress and finished goods) amounted to 73.96%, 79.27%, 73.42% and 74.15% of our total income. As a manufacturer of processed shrimp, our major raw material is raw shrimp that we purchase from aquaculture farmers across the east and west coast of India.

The availability of raw shrimp is influenced by a number of factors, including harvest levels, weather conditions and epidemic diseases/biosecurity. The prices of raw shrimp are impacted by prevailing demand and supply and regulations in the countries of origin. In prior periods, the price for raw shrimp has fluctuated greatly, thereby impacting our cost of materials consumed and our margins. For example, average cost of raw shrimp for the year ended March 31, 2016 decreased to Rs. 577,370 per tonne from Rs. 689,730 per tonne in the year ended March 31, 2015.For further details, please see "*– Our Results of Operations – Year ended March 31, 2016 compared to the year ended March 31, 2015*".

In addition, our Subsidiary also purchases frozen shrimp from external companies, which is then sold to our major customers in the United States, in line with their requirements. Purchase of stock-in-trade (comprising frozen shrimp purchases by our Subsidiary) amounted to 18.49%, 19.71%, 1.01% and 1.75% of our total revenue from operations for the nine months ended December 31, 2017 and the years ended March 31, 2017, 2016 and 2015.

Our principal raw materials for the manufacture of shrimp feed are soya meal, fish meal and wheat flour, which we purchase in bulk in the open market in India at spot rates. The price and availability of these raw materials are susceptible to seasonal variations and we typically endeavour to purchase these raw materials in the peak harvest seasons when the prices are lower.

Any significant changes in the availability or the prices of our raw materials are likely to affect our cost of sales and our profitability.

Foreign exchange fluctuations

Our Restated Consolidated Financial Information is presented in Indian Rupees. However, our revenues and operating expenses are influenced by the currencies of those countries where we sell our products, primarily the United States. The exchange rate between the Indian Rupee and the U.S. Dollar has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future as well. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, we expect that the cost of our US dollar borrowing as well as our cost of imported stores and spares, overseas professional costs, freight and overseas warehousing costs incurred by us may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gain for the nine months ended December 31, 2017 and the years ended March 31, 2017, March 31, 2016 and March 31, 2015 respectively was Rs. 70.58 million, Rs. 42.47 million, Rs. 76.67 million and Rs. 139.81 million. See also, "*Annexure VI: Notes to the Restated Ind AS Consolidated Financial Information – 28. Financial risk management – i. Foreign exchange risk*".

Regulatory environment

Our business activities and results of operations are affected by the regulatory environment both in India and in our target export markets. In particular, in the United States, we are excluded from anti-dumping duty levied by the United States Department of Commerce upon shrimp exporters from China, Thailand, Vietnam, India and Brazil. We are the only Indian company that is currently excluded. (*Source: CRISIL Research*) We believe that this exclusion provides us with a significant competitive advantage for sales into the United States, as new exporters from India have to pay an anti-dumping duty at the rate of 10.17% and existing exporters pay duty at a rate that is subject to revision every year.

Further, we also currently avail benefits under export promotion schemes in India and from subsidies relating to setting up processing units and aquaculture farms in Andhra Pradesh. For details, please see "*Regulations and Policies*"

However, any adverse changes in regulations and government policies with regard to either shrimp processing in India or in relation to our exemption from anti-dumping could have a material adverse effect on our business.

Principal Components of Income and Expenses

The following is a brief description of the principal line items that are included in our restated summary statement of profit and losses:

Revenue

Our total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises income from the sale of processed shrimps which we process at our facilities in India and export primarily to the United States and certain other geographies and also shrimp sold by our Subsidiary in the United States that is procured from external companies; sale of shrimp feed to farmers in India; and the sale of power from our windmills located in the state of Tamil Nadu. We invested in the power business (which forms an ancillary part of our business) in 2009 with a view to taking advantage of income tax benefits in the form of accelerated depreciation in the year of investment. Other operating revenue comprises revenue from the sale of export incentives that we receive from the government as a result of our export oriented business and we are entitled to sell to external parties.

The table below sets for the break-up of our revenue from operations for the periods indicated:

	Nine months ended December 31, 2017	% of revenue from operations	For the year ended March 31, 2017	% of revenue from operations	For the year ended March 31, 2016	% of revenue from operations	For the year ended March 31, 2015	% of revenue from operations
	(Rs. millions)							
Sale of shrimps	10,971.98	75.46%	13,659.51	84.74%	9,147.02	92.61%	8,654.16	93.80%
Sale of shrimp feed	2,768.13	19.04%	1,607.54	9.97%	0.83	0.01%	0.00	0.00%
Sale of power	1.35	0.01%	11.60	0.07%	6.86	0.07%	9.67	0.10%
Other operating revenue								
Export incentives	797.94	5.49%	840.67	5.22%	721.99	7.31%	561.99	6.09%
Revenue from operations	**14,539.40**	**100.00%**	**16,119.32**	**100.00%**	**9,876.70**	**100.00%**	**9,225.82**	**100.00%**

Segmental reporting

Our segmental reporting comprises business and geographic segmentation.

Business segments:

Our business segments are as follows:

- Shrimp – consisting of our business of processing and marketing shrimps manufactured at our processing facilities in India and procured from other companies by our US subsidiary;
- Shrimp Feed – manufacturing and marketing of shrimp feed; and
- Others – power generation from our windmills located in Tamil Nadu.

The following table presents a breakdown of our revenue from operations (including other operating revenues) by our business segments:

	Nine months ended December 31, 2017	For the year ended March 31, 2017
	(Rs. in millions)	
Shrimp	11,769.92	14,500.18
Shrimp Feed	2,825.21	1,671.90
Others	1.35	11.60
Eliminations	(57.08)	(64.36)
Revenue from operations	**14,539.40**	**16,119.32**

Geographic segments:

Our revenues are generated from three main geographic markets: India, the United States and the rest of the world.

The following table presents a breakdown of our revenue from operations (excluding other operating revenue) by our geographic segments:

	Nine months ended December 31, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
India	2,783.70	1,645.89	25.85	33.59
United States	9,849.61	12,724.66	8,211.65	7,378.53
Rest of the world	1,108.15	908.10	917.21	1,251.71
Revenue from operations	**13,741.46**	**15,278.65**	**9,154.71**	**8,663.83**

Other income. Other income primarily comprises:

- gain on financial instruments measured on amortised cost, consisting of key man insurance policies and interest income;
- foreign exchange gain (net);
- gain on financial instruments at FVTPL, net, primarily consisting of derivative financial instruments;
- profits on sale of assets; and
- other miscellaneous income.

Expenses

Our expenses consist of cost of materials consumed (including packing materials), purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of materials consumed. Cost of materials consumed comprises costs incurred towards the purchase of all the raw materials and packing materials that we require for our manufacturing process. Our primary raw material for our shrimps business segment is raw shrimp that we procure from our captive shrimp farms and from external farmers. For our shrimp feed business segment, our primary raw materials are soya meal, fish meal and wheat flour that we source from the open market in India.

Purchase of stock-in-trade. Purchase of stock-in-trade comprises frozen shrimp purchases from other producers by our Subsidiary. We purchase frozen shrimp from other producers at negotiated prices, depending upon timing and the size of the purchase orders.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade primarily comprises the difference between the opening and closing stock of our inventories of finished goods, work-in-progress and stock-in-trade.

Employee benefits expense. Employee benefits expense comprises salaries and wages, contribution to provident fund, contribution to employee state insurance fund, gratuity and staff welfare expenses.

Finance costs. Finance costs primarily comprises interest expense, interest expense on income taxes and other borrowing costs.

Depreciation and amortisation expense. Depreciation and amortisation expenses comprises depreciation of tangible assets and amortisation of intangible assets.

Other expenses. Other expenses primarily comprises selling and distribution related expenses for our shrimps and shrimp feed business segments, power and fuel expenses, rental expenses, peeling and processing labour charges of the contract labour that we utilize at our processing facilities, and carriage and freight outward charges.

Our Results of Operations

The following table summarises our results of operations for the nine months ended December 31, 2017, year ended March 31, 2017, March 31, 2016 and March 31, 2015.

	For nine months ended		**For the year ended March 31,**					
Particulars	**December 31, 2017**	**% of total income**	**2017**	**% of total income**	**2016**	**% of total income**	**2015**	**% of total income**
	(Rs. millions)							
Revenue								
Revenue from operations	14,539.40	99.23%	16,119.32	99.19%	9,876.70	98.55%	9,225.82	97.65%
Other income	112.36	0.77%	132.26	0.81%	145.42	1.45%	222.32	2.35%
Total income	**14,651.76**	100%	**16,251.58**	**100.00%**	**10,022.12**	**100.00%**	**9,448.14**	**100.00%**
Expenses								

Cost of materials consumed	9,216.13	62.90%	9,714.54	59.78%	6,905.89	68.91%	6,879.65	72.81%
Purchases of stock-in-trade	2,708.51	18.49%	3,202.99	19.71%	1,604.87	16.01%	165.54	1.75%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,088.18)	(7.43)%	(35.51)	(0.22)%	(1,152.59)	(11.50)%	(39.82)	(0.42)%
Employee benefits expense	307.81	2.10%	330.50	2.03%	243.65	2.43%	209.80	2.22%
Finance costs	71.48	0.49%	90.43	0.56%	31.35	0.31%	33.71	0.36%
Depreciation and amortisation expense	116.72	0.80%	126.15	0.78%	90.15	0.90%	89.37	0.95%
Other expenses	1,142.01	7.79%	1,188.01	7.31%	1,055.02	10.53%	860.49	9.11%
Total expenses	**12,474.49**	85.14%	**14,617.11**	**89.94%**	**8,778.35**	**87.59%**	**8,198.73**	**86.78%**
Profit before tax	**2,177.27**	14.86%	**1,634.47**	**10.06%**	**1,243.77**	**12.41%**	**1,249.41**	**13.22%**
Tax expenses	**763.02**	5.21%	**577.52**	**3.55%**	**431.91**	**4.31%**	**445.97**	**4.72%**
Net profit for the year	**1,414.25**	9.65%	**1,056.95**	**6.51%**	**811.86**	**8.10%**	**803.44**	**8.50%**
Share of profit/ (loss) in associate	1.63	0.01%	(1.40)	(0.01)%	0.16	0.00%	0.00	0.00%
Profit for the year	**1,415.88**	9.66%	**1,055.55**	**6.50%**	**812.02**	**8.10%**	**803.44**	**8.50%**

Nine months ended December 31, 2017

Revenue from operations.

Our revenue from operations was Rs. 14,539.40 million for the nine months ended December 31, 2017.

Our revenue from the sale of products was Rs. 13,741.46 million for the nine months ended December 31, 2017, primarily comprising:

- revenue from sale of shrimps of Rs.10,971.98 million, representing 75.46% of our revenue from operations, for the nine months ended December 31, 2017;
- revenue from sale of shrimp feed of Rs. 2,768.13 million, representing 19.04% of our revenue from operations, for the nine months ended December 31, 2017;

Our revenue from sale of power of Rs.1.35 million, representing 0.01% of our revenue from operations, for the nine months ended December 31, 2017;

Our other operating revenue of Rs. 797.94 million for the nine months ended December 31, 2017, comprising export incentives.

Other income

Our other income for the nine months ended December 31, 2017 was Rs. 112.36 million, primarily comprising of income from investment in key man insurance policies and fixed deposits of Rs. 41.44 million; net gain on foreign currency transactions of Rs. 70.58 million; net profit from sale of property, plant and equipment of Rs. 0.11 million and miscellaneous income of Rs. 0.23 million.

Total income

As a result of the foregoing, our total income for the nine months ended December 31, 2017 was Rs. 14,651.76 million.

Cost of materials consumed

Cost of materials consumed for the nine months ended December 31, 2017 was Rs. 9,216.13 million.

Purchases of stock-in-trade

Purchases of stock-in-trade for the nine months ended December 31, 2017 was Rs. 2,708.51 million.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade for the nine months ended December 31, 2017 was Rs. (1,088.18) million.

Employee benefits expense

Employee benefits expenses for the nine months ended December 31, 2017 was Rs.307.81 million, primarily comprising salaries, wages, bonus and allowances of Rs. 265.80 million, contribution to provident, gratuity and other funds of Rs.17.75 million and staff welfare expenses of Rs. 24.26 million.

Finance costs

Finance costs for the nine months ended December 31, 2017 was Rs.71.48 million, primarily comprising of interest paid on loans and working capital limits of Rs.54.83 million, interest on income taxes of Rs.13.73 million and other borrowing cost of Rs.2.92 million.

Depreciation and amortisation expense

Our depreciation and amortisation expense for the nine months ended December 31, 2017 was Rs.116.72 million.

Other expenses

Our other expenses for the nine months ended December 31, 2017 was Rs.1,142.01 million, primarily comprising rent expenses of Rs.133.47 million; power and fuel expenses of Rs.171.74 million, peeling and processing labour charges of Rs.191.65 million and carriage and freight outward expenses of Rs.208.57 million.

Total expenses

Our total expenses for the nine months ended December 31, 2017 stood at Rs. 12,474.49 million.

Profit before tax

As a result of the foregoing, our profit before tax for the nine months ended December 31, 2017 was Rs. 2,177.27 million.

Tax expenses

Our tax expenses for the nine months ended December 31, 2017 was Rs.763.02 million, comprising current tax expense of Rs.773.84 million and deferred tax benefit of Rs.10.82 million.

Net profit for the year

As a result of the foregoing, our net profit for nine months ended December 31, 2017 was Rs. 1,414.25 million.

Share of profit/ (loss) in associate

We recorded Rs.1.63 million in share of profit in associate for the nine months ended December 31, 2017.

Profit for the year

As a result of the foregoing, our profit for the year for the nine months ended December 31, 2017 was Rs. 1,415.88 million.

Year ended March 31, 2017 compared with the year ended March 31, 2016

Revenue from operations

Our revenue from operations for the year ended March 31, 2017 was Rs. 16,119.32 million, an increase of Rs. 6,242.62 million, or 63.21%, compared to Rs. 9,876.70 million for the year ended March 31, 2016 as a result of the following factors.

Revenue from sale of shrimps

Our revenue from the sale of shrimps increased by 49.33% from Rs. 9,147.02 million for the year ended March 31, 2016 to Rs. 13,659.21 million for the year ended March 31, 2017. This increase in revenues was driven by an increase in sales volumes (both to our existing customers and to new customers in the year ended March 31, 2017); an increase in our average selling prices for the year ended March 31, 2017; and an appreciation in the US$ (as compared with the Indian Rupee). Our gross sales volume of shrimps increased from approximately 27.95 million lbs in the year ended March 31, 2016 to 39.46 million lbs in the year ended March 31, 2017. In the year ended March 31, 2017, we received higher number of orders from existing customers, as a result of organic growth in our program business model. In addition, we also added new customers, primarily in the United States, which also contributed to the increase in our sales volumes. Our gross sales volume of shrimps to new customers for the year ended March 31, 2017 amounted to 2.31 million lbs.

In addition to the increase in sales volumes, our revenue from operations were also positively impacted by the increase in average selling prices of shrimps, which increased from US$5.00/lb for the year ended March 31, 2016 to US$5.17/lb for the year ended March 31, 2017, as a result of the increase in the Urner Barry index, as prices recovered from the correction seen in the year ended March 31, 2016. Further, as our sale of shrimps are predominantly denominated in US$, our revenues from operations were also impacted by the appreciation of the US$ to the Indian Rupee in the year ended March 31, 2017. The average US$-Rs exchange rate for the year ended March 31, 2017 was Rs. 67.09 per US$, as compared with Rs. 65.46 per US$ for the year ended March 31, 2016.

Revenue from the sale of shrimp feed

Our revenue from the sale of shrimp feeds amounted to Rs. 1,607.54 million for the year ended March 31, 2017, as compared with a revenue from the sale of shrimp feeds amounting to Rs. 0.83 million for the year ended March 31, 2016. We commenced production of our feed manufacturing in the month of March 2016 and started the commercial operations effectively from April 2016. We sold 25,571 MT of shrimp feed (including internal consumption) for the year ended March 31, 2017 at an average selling price of Rs. 62,866 per ton.

Revenue from the sale of power

Revenue from sale of power increased by 69.10% from Rs.6.86 million for the year ended March 31, 2016 to Rs. 11.60 million for the year ended March 31, 2016.

Other operating revenue

Our other operating revenue comprising export incentives increased by 16.44% from Rs. 721.99 million for the year ended March 31, 2016 to Rs. 840.67 million for the year ended March 31, 2017, primarily due to the increase in our export sales, as a result of which we received higher export incentives.

Other income

Our other income for the year ended March 31, 2017 was Rs.132.26 million, a decrease of Rs.13.16 million, or 9.05%, compared to Rs.145.42 million for the year ended March 31, 2016. This decrease was primarily because our net foreign exchange gain decreased by 44.61% to Rs.42.47 million for the year ended March 31, 2017 from Rs.76.67 million for the year ended March 31, 2016 . This decrease was partially offset by an increase in net gain from derivative financial instruments amounting to Rs. 26.22 million, due to change in fair valuation of outstanding derivative contracts.

Total income

As a result of the foregoing, our total income for the year ended March 31, 2017 was Rs.16,251.58 million, an increase of Rs.6,229.47 million, or 62.16%, compared to Rs.10,022.12 million in the year ended March 31, 2016.

Cost of materials consumed

Our cost of materials consumed for the year ended March 31, 2017 was Rs. 9,714.54 million, an increase of Rs. 2,808.65 million or 40.67%, compared to Rs. 6,905.89 million in the year ended March 31, 2016. Our cost of materials consumed increased as a result of the following factors:

- Our cost of materials consumed towards the processing of shrimp increased from Rs. 6,905.21 million for the year ended March 31, 2016 to Rs. 8,474.59 million for the year ended March 31, 2017, as a result of the increase in both the volume of shrimp processed by us , which increased from 11,960 MT to 13,304 MT and the average cost of raw shrimp, which increased from Rs.577,370 per tonne for the year ended March 31, 2016 to Rs.637,000 per tonne for the year ended March 31, 2017.

- In addition to the costs of materials consumed towards the processing of shrimp, we also incurred costs towards the consumption of raw materials for the manufacture of shrimp feed amounting to Rs. 1,239.95 million for the year ended March 31, 2017, as compared with Rs. 0.68 million for the year ended March 31, 2016.

Purchases of stock-in-trade

Our purchases of stock-in-trade for the year ended March 31, 2017 was Rs. 3,202.99 million, an increase of Rs. 1,598.12 million, or 99.58%, compared to Rs. 1,604.87 million in the year ended March 31, 2016, primarily due to the increase in trading volume of shrimp products traded from 14.5% of our total shrimp sales for the year ended March 31, 2016 to 24.45% for the year ended March 31, 2017.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

We recorded a reversal of expense of Rs. 35.51 million due to changes in inventories of finished goods, work-in-progress and stock-in-trade for the year ended March 31, 2017, an increase of Rs. 1,117.08 million, as compared to reversal of expense of Rs. 1,152.59 million for the year ended March 31, 2016, primarily attributable to the timing of manufacture, purchases of stock in trade and sale of products.

Employee benefits expense

Our employee benefits expense for the year ended March 31, 2017 was Rs.330.50 million, an increase of Rs.86.85 million, or 35.65%, compared to Rs.243.65 million for the year ended March 31, 2016. The increase was primarily as a result of increments in salaries and wages, and also on account of increase in the number of our employees, primarily additional employees engaged in our feed manufacturing business segment, which commenced operations in March 2016.

Finance costs

Our finance costs for the year ended March 31, 2017 were Rs.90.43 million, an increase of Rs.59.08 million, or 188.45%, compared to Rs.31.35 million for the year ended March 31, 2016. This was primarily as a result of interest costs, which increased by 127.07% to Rs.68.60 million for the year ended March 31, 2017 from Rs.30.21 million for the year ended March 31, 2016 primarily due to increase in utilization of our working capital loans.

Depreciation and amortisation expense

Our depreciation and amortisation expense for the year ended March 31, 2017 were Rs.126.15 million, an increase of Rs.36.00 million, or 39.94%, compared to Rs.90.15 million for the year ended March 31, 2016. This was principally as a result of full year depreciation charge pertaining to shrimp feed operations as against one month charge during the year ended March 31, 2016.

Other expenses

Our other expenses for the year ended March 31, 2017 were Rs.1,188.01 million, an increase of Rs.132.99 million, or 12.61%, compared to Rs.1,055.02 million for the year ended March 31, 2016. This was primarily as a result of the following factors:

- increase in rent expenses, which increased by 34.39% to Rs. 151.44 million for the year ended March 31, 2017 from Rs. 112.69 million for the year ended March 31, 2016, primarily due to increase in warehouse expenses in our US operations;
- increase in power and fuel expenses, by 26.90% to Rs. 186.74 million from Rs. 147.16 million in the same period, primarily as a result of an increase in expenses at our feed power plant and also due to increased utilization in our shrimp business segment;

- increase in peeling and processing labour charges, by 22.65% to Rs. 181.39 million from Rs. 147.89 million in the same period, due to increase of labour charges and also in line with the increase in volume of processed shrimps.

Total expenses

Our total expenses for the year ended March 31, 2017 were Rs. 14,617.11 million, an increase of Rs. 5,838.77 million, or 66.51%, compared to Rs. 8,778.35 million for the year ended March 31, 2016.

Profit before tax

As a result of the foregoing, our profit before tax for the year ended March 31, 2017 were Rs.1,634.47 million, an increase of Rs.390.7 million, or 31.41%, compared to Rs.1,243.77 million in the year ended March 31, 2016.

Tax expenses

Our total tax expense for the year ended March 31, 2017 was Rs. 577.52 million, an increase of Rs.145.61 million or 33.71% compared to Rs. 431.91 million for the year ended March 31, 2016, as a result of increase in profit before tax. For the year ended March 31, 2017, we had a current tax expense of Rs. 628.27 million and a deferred tax benefit of Rs. 50.75 million. For the year ended March 31, 2016, we had a current tax expense of Rs. 399.91 million and a deferred tax expense of Rs. 32.00 million. Our effective tax rate was 35.33% and 34.73% for the year ended March 31, 2017 and March 31, 2016, respectively.

Net profit for the year

As a result of the foregoing, our net profit for the year ended March 31, 2017 was Rs. 1,056.95 million, an increase of Rs.245.09 million, or 30.19%, compared to Rs.811.86 million for the year ended March 31, 2016.

Share of profit/ (loss) in associate

We recorded Rs.1.40 million in share of loss in associate for the year ended March 31, 2017 as compared to a share of profit of Rs.0.16 million in the year ended March 31, 2016.

Profit for the year

As a result of the foregoing, our profit for the year ended March 31, 2017 was Rs. 1,055.55 million, an increase of Rs.243.53 million, or 29.99%, compared to Rs.812.02 million for the year ended March 31, 2016.

Year ended March 31, 2016 compared to the year ended March 31, 2015

Revenue from operations

Our revenue from operations for the year ended March 31, 2016 was Rs. 9,876.70 million, an increase of Rs.650.88 million, or 7.05%, compared to Rs. 9,225.82 million in the year ended March 31, 2015 primarily comprising:

<u>Revenue from the sale of shrimps</u>

Our revenue from the sale of shrimps increased by 5.70% from Rs. 8,654.16 million for the year ended March 31, 2015 to Rs. 9,147.02 million for the year ended March 31, 2016. This increase in revenues was driven by an increase in sales volumes (both to our existing customers and to new customers in the year ended March 31, 2016) and an appreciation in the US$ (as compared with the Indian Rupee), and was partially offset by a decrease in average selling prices of shrimps. Our gross sales volume of shrimps increased from approximately 21.74 million lbs in the year ended March 31, 2015 to 27.95 million lbs in the year ended March 31, 2016. In the year ended March 31, 2016, we received higher number of orders from existing customers, as a result of organic growth in our program business model. In addition, we also added new customers, primarily in the United States, which also contributed to the increase in our sales volumes. Our gross sales volume of shrimps to new customers for the year ended March 31, 2016 amounted to 5.30 million lbs.

Further, as our sale of shrimps are predominantly denominated in US$, our revenues from operations were also impacted by the appreciation of the US$ to the Indian Rupee in the year ended March 31, 2017. The average US$-Rs exchange rate for the year ended March 31, 2016 was Rs. 65.46 per US$, as compared with Rs. 61.15 per US$ for the year ended March 31, 2015.

The growth in volumes was partially offset by a decrease in the average selling price of shrimps, which declined from US$6.48/lb for the year ended March 31, 2015 to US$5.00/lb for the year ended March 31, 2016. The decrease in average selling prices was as a result of correction in selling prices which had increased consistently for a period of almost four years on account of increased supply from the major shrimp producing countries. For further details on historic selling prices of shrimp, please see "*Industry Overview – Global Frozen Food Industry*".

Revenue from sale of shrimp feed

As we commenced our shrimp feed operations in March 2016, we recognised revenue from sale of feed of Rs.0.83 million for the year ended March 31, 2016, as compared with Nil for the year ended March 31, 2015.

Revenue from sale of power

Our revenue from the sale of power amounted to Rs.6.86 million for the year ended March 31, 2016 a decrease by 29.06% from Rs.9.67 million for the year ended March 31, 2015.

Other operating revenue

Our other operating revenue comprising of export incentives was Rs.721.99 million for the year ended March 31, 2016 an increase by 28.47% from Rs.561.99 million for the year ended March 31, 2015 due to the increase in our export sales, as a result of which we received higher export incentives.

Other income

Our other income for the year ended March 31, 2016 was Rs.145.42 million, a decrease of Rs.76.90 million, or 34.59%, compared to Rs.222.32 million in the year ended March 31, 2015. This was primarily because net foreign exchange gain decreased by 45.16% to Rs.76.67 million for the year ended March 31, 2016 from Rs.139.81 million for the year ended March 31, 2015. The net gain on derivative financial instruments for the year ended March 31, 2016 was nil, compared to Rs.35.12 million in the year ended March 31, 2015. Further the gain on key man insurance policies for the year ended March 31, 2016 was Rs.28.39 million, an increase of 70.10%, compared to Rs.16.69 million in the year ended March 31, 2015.

Total income

As a result of the foregoing, our total income for the year ended March 31, 2016 were Rs. 10,022.12 million, an increase of Rs. 573.98 million, or 6.08%, compared to Rs. 9,448.14 million for the year ended March 31, 2015.

Cost of materials consumed

Our cost of materials consumed for the year ended March 31, 2016 was Rs. 6,905.89 million, an increase of Rs. 26.24 million, or 0.38%, compared to Rs. 6,879.65 million for the year ended March 31, 2015. Our cost of materials consumed increased as a result of the following factors:

- Our cost of materials consumed towards the processing of shrimp increased from Rs. 6,879.65 million for the year ended March 31, 2015 to Rs. 6,905.21 million for the year ended March 31, 2016, as a result of the increase in both the volume of shrimp processed by us, which increased from 9,974 MT to 11,960 MT, which was offset by the decrease in the average cost of raw shrimp, which declined from Rs. 689,730 per tonne for the year ended March 31, 2015 to Rs. 577,370 per tonne for the year ended March 31, 2016.

- In addition, we also incurred cost of materials consumed towards the manufacture of shrimp feed amounting to Rs. 0.68 million, as we commenced our shrimp feed manufacturing operations in March 2016.

Purchases of stock-in-trade

Our purchases of stock-in-trade for the year ended March 31, 2016 were Rs. 1,604.87 million, an increase of Rs. 1,439.33 million, or 869.47%, compared to Rs. 165.54 million in the year ended March 31, 2015. This was principally due to increase in volume of shrimp product traded from 3% for the year ended March 31, 2015 of our total shrimp sales to 14.5% of our total shrimp sales for the year ended March 31, 2016.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

We recorded a reversal of expense of Rs. 1,152.59 million due to changes in inventories of finished goods, work-in-progress and stock-in-trade for the year ended March 31, 2016, a Rs. 1,112.77 million decrease, as compared to reversal of expense of Rs. 39.82 million in the year ended March 31, 2015, primarily attributable to the timing of manufacture, purchases of stock in trade and sale of products.

Employee benefits expense

Our employee benefits expense for the year ended March 31, 2016 were Rs. 243.65 million, an increase of Rs. 33.85 million, or 16.13%, compared to Rs. 209.80 million for the year ended March 31, 2015. This was principally as a result of increase in salaries and wages, which increased by 16.47% to Rs. 209.52 million for the year ended March 31, 2016 from Rs. 179.88 million for the year ended March 31, 2015 due to increments in salaries and wages and also on account of increase in number of employees, primarily for our shrimp processing business segment.

Finance costs

Our finance costs for the year ended March 31, 2016 were Rs. 31.35 million, a decrease of Rs. 2.36 million, or 6.99%, compared to Rs. 33.71 million in the year ended March 31, 2015.

Depreciation and amortisation expense

Our depreciation and amortisation expense for the year ended March 31, 2016 were Rs. 90.15 million, an increase of Rs. 0.78 million, or 0.87%, compared to Rs. 89.37 million in the year ended March 31, 2015.

Other expenses

Our other expenses for the year ended March 31, 2016 were Rs. 1,055.02 million, an increase of Rs. 194.53 million, or 22.61%, compared to Rs. 860.49 million for the year ended March 31, 2015. This was primarily because of the following:

- increase in rent expenses by 43.05% to Rs. 112.69 million for the year ended March 31, 2016 from Rs. 78.77 million for the year ended March 31, 2015 mainly on account of increase of warehouse rents and due to increase in leased ponds for shrimp culture.
- increase in carriage and freight outward expenses by 26.96% to Rs. 254.62 million from Rs. 200.55 million in the same period, mainly due to increase of ocean freight in line with our increase in sales volumes.
- increase in peeling and processing labour charges by 22.15% to Rs. 147.89 million from Rs. 121.07 million in the same period, due to increase of labour charges and the balance on account of increase in volume of shrimps processed.

Total expenses

Our total expenses for the year ended March 31, 2016 were Rs. 8,778.35 million, an increase of Rs. 579.62 million, or 7.07%, compared to Rs. 8,198.73 million in the year ended March 31, 2015.

Profit before tax

As a result of the foregoing, our profit before tax for the year ended March 31, 2016 were Rs. 1,243.77 million, a decrease of Rs. 5.64 million, or 0.45%, compared to Rs. 1,249.41 million in the year ended March 31, 2015.

Tax expenses

Our total tax expense for the year ended March 31, 2016 was Rs. 431.91 million, a decrease of Rs. 14.06 million or 3.15% compared to Rs. 445.97 million for the year ended March 31, 2016, as a result of decrease in profit before tax. For the year ended March 31, 2017, we had a current tax expense of Rs. 399.91 million and a deferred tax expense of Rs. 32.00 million. For the year ended March 31, 2015, we had a current tax expense of Rs. 369.79 million and a deferred tax expense of Rs. 76.18 million. Our effective tax rate was 34.73% and 35.69% for the year ended March 31, 2016 and March 31, 2015, respectively.

Net profit for the year

As a result of the foregoing, our net profit for the year for the year ended March 31, 2016 were Rs. 811.86 million, an increase of Rs. 8.42 million, or 1.05%, compared to Rs. 803.44 million in the year ended March 31, 2015.

Share of profit/ (loss) in associate

We recorded Rs. 0.16 million share of profit in associate for the year ended March 31, 2016, a Rs. 0.16 million increase, as compared to nil in the year ended March 31, 2015.

Profit for the year

As a result of the foregoing, our profit for the year ended March 31, 2016 were Rs. 812.02 million, an increase of Rs. 8.58 million, or 1.07%, compared to Rs. 803.44 million in the year ended March 31, 2015.

Liquidity and Capital Resources

We have historically met our working capital and other capital requirements primarily from cash generated by operating activities, short-term and long-term bank borrowings. See "—*Indebtedness*" below.

We believe that we have adequate working capital for our present requirements and that our net cash generated from operating activities, together with cash and cash equivalents, will provide sufficient funds to satisfy our working capital requirements and anticipated capital expenditures for the next 12 months. We may, however, incur additional indebtedness to finance all or a portion of our planned capital expenditures or for other purposes. In addition, depending on our capital requirements, market conditions and other factors, we may raise additional funds through debt or equity offerings or the sale or other disposition of shares or assets.

Cash Flows

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

	For the nine months ended December 31,	**For the year ended March 31,**		
	2017	**2017**	**2016**	**2015**
	(Rs. in million)			
Net cash generated/(used in) Operating Activities	390.30	(11.17)	(189.38)	986.39
Net cash generated/(used in) Investing Activities	(180.70)	(260.72)	(226.99)	(485.71)
Net cash generated/(used in) Financing Activities	(472.52)	214.04	728.86	(756.22)
Net increase/(decrease) in Cash and Cash Equivalents	(262.92)	(57.85)	312.49	(255.54)

Cash flow from operating activities

For the nine months ended December 31, 2017, our net cash generated from operating activities was Rs.390.30 million. While our profit before tax was Rs. 2,177.27 million for the nine months ended December 31, 2017, we had an operating profit before working capital changes amounting to Rs.2,307.43 million, primarily as a result of adjustments for depreciation and amortization expense amounting to Rs.116.72 million, finance cost amounting to Rs.71.48 million, gain from investment insurance policies amounting to Rs. 35.15 million and receipt of government assistance relating to assets amounting to Rs. 22.34 million. Our changes in working capital primarily comprised of increase in inventories amounting to Rs. 1,276.73 million; increase in trade receivables amounting to Rs.284.92 million, increase in trade payables amounting to Rs. 204.29 million and decrease in other current assets amounting to Rs.185.04 million. Our cash generated from operating activities was Rs. 1,143.00 million for the nine months ended December 31, 2017 and we paid income taxes amounting to Rs. 752.70 million.

For the year ended March 31, 2017, our net cash generated used in operating activities was Rs. 11.17 million. While our profit before tax was Rs. 1,634.47 million for the year ended March 31, 2017, we had an operating profit before working capital changes amounting to Rs. 1,764.44 million, primarily as a result of adjustments for depreciation and amortization expense amounting to Rs. 126.15 million, finance costs amounting to Rs.90.43 million, interest income amounting to Rs. 22.97 million, gain from investment in insurance policies amounting to Rs.28.69 million and net gain on financial instruments at fair value through profit or loss amounting to Rs. 23.26 million. Our changes in working capital primarily comprised of increase in inventories amounting to Rs. 337.01 million, increase in trade receivables amounting to Rs.961.08 million and increase in other current assets amounting to Rs. 160.09 million and increase in trade payables amounting to Rs. 148.41 million. Our cash generated from operating activities was Rs. 470.23 million for the year ended March 31, 2017 and we paid income taxes amounting to Rs. 481.40 million.

For the year ended March 31, 2016, our net cash used in operating activities was Rs. 189.38 million. While our profit before tax was Rs.1,243.77 million for the year ended March 31, 2016, we had an operating profit before working capital changes amounting to Rs.1,281.23 million, primarily as a result of adjustments for depreciation and amortization expense amounting to Rs. 90.15 million, finance costs amounting to Rs. 31.35 million, interest income amounting to Rs. 27.86 million, gain from investment in insurance policies amounting to Rs. 28.39 million and net loss on financial instruments at fair value through profit or loss amounting to Rs. 16.50 million. Our changes in working capital primarily comprised of increase in inventories amounting to Rs. 1,230.14 million, and decrease in other current assets amounting to Rs. 87.52 million. Our cash generated from operating activities was Rs. 203.21 million for the year ended March 31, 2016 and we paid income taxes amounting to Rs. 392.59 million.

For the year ended March 31, 2015, our net cash generated from operating activities was Rs. 986.39 million. While our net profit before tax was Rs. 1,249.41 million for the year ended March 31, 2015, we had an operating profit before working capital changes amounting to Rs. 1,293.63 million, primarily as a result of adjustments for depreciation and amortization expense amounting to Rs. 89.37 million, interest expense amounting to Rs. 33.71 million, interest income amounting to Rs. 25.92 million and net gain on financial instruments at fair value through profit or loss amounting to Rs. 35.62 million. Our changes in working capital primarily comprised a decrease in trade receivables amounting to Rs. 250.78 million and increase in other current assets amounting to Rs. 47.34 million. Our cash generated from operating activities was Rs. 1,412.11 million for the year ended March 31, 2015 and we paid income taxes amounting to Rs. 425.72 million.

Cash flows from investing activities

Our net cash used in investing activities for the nine months ended December 31, 2017 was Rs. 180.70 million, primarily due to purchase of property, plant and equipment amounting to Rs. 355.61 million; offset by proceeds from the sale of property, plant and equipment amounting to Rs. 2.20 million, receipts from investment in key man insurance policies amounting to Rs. 41.45 million, receipts due to net decrease in term deposits amounting to Rs. 124.97 million and interest received on deposits amounting to Rs. 6.29 million.

Our net cash used in investing activities for the year ended March 31, 2017 was Rs. 260.72 million, primarily as a result of purchase of property, plant and equipment amounting to Rs. 372.38 million relating primarily to our shrimp feedmill and the replacement of certain machinery in our processing plants, investment in associate amounting to Rs. 227.00 million, offset primarily by proceeds from the sale of current investments amounting to Rs. 229.62 million, receipts due to net decrease in term deposits amounting to Rs. 89.33 million and interest received on deposits amounting to Rs. 22.85 million.

Our net cash used in investing activities for the year ended March 31, 2016 was Rs. 226.99 million, primarily as a result of purchase of property, plant and equipment amounting to Rs. 251.32 million relating primarily to our shrimp feedmill, net investment in mutual funds amounting to Rs. 205.02 million, offset by investments in term deposits amounting to Rs. 186.38 million and interest received on deposits amounting to Rs. 27.81 million.

Our net cash used in investing activities for the year ended March 31, 2015 was Rs. 485.71 million, primarily as a result of purchase of property, plant and equipment amounting to Rs. 162.77 million redemptions in term deposits amounting to Rs. 228.90 million, net investment in key man insurance policies amounting to Rs. 126.30 million, offset primarily by interest received on deposits amounting to Rs. 26.16 million.

Cash flow from financing activities

Our net cash used in financing activities was Rs. 472.52 million for the nine months ended December 31, 2017, primarily as a result of repayment of short-term borrowings amounting to Rs. 407.03 million, and interest paid amounting to Rs. 50.89 million.

Our net cash generated from financing activities was Rs. 214.04 million for the year ended March 31, 2017, primarily as a result of proceeds from short-term borrowings amounting to Rs. 304.48 million, offset by interest paid amounting to Rs. 90.43 million.

Our net cash generated from financing activities was Rs. 728.86 million for the year ended March 31, 2016, primarily as a result of proceeds from short-term borrowings amounting to Rs. 832.32 million, offset by dividend including distribution tax paid amounting to Rs. 48.14 million and interest paid amounting to Rs. 43.56 million.

Our net cash used in financing activities was Rs. 756.22 million for the year ended March 31, 2015, primarily as a result of repayment of short-term borrowings amounting to Rs. 715.59 million and interest paid amounting to Rs. 36.80 million.

Indebtedness

The following table presents a breakdown of our borrowings as of December 31, 2017. For details of our borrowings as of February14, 2018, see "*Financial Indebtedness*" on page 289.

Particulars	**As at December 31, 2017**
	(Rs. in millions)
Long-term borrowings	97.12
Short-term borrowings	1,478.54
Other current maturities of long-term debt	-
Total	1,575.66
Secured Loans	1,572.65
Unsecured Loans	3.01
Total	1,575.66

As of December 31, 2017, Rs. 1,443.50 million of our borrowings were floating-rate borrowings benchmarked against LIBOR and Rs. 35.04 million of our borrowings were benchmarked against the MCLR. See "*—Market Risks—Interest Rate Risk*" below.

As of December 31, 2017, Rs. 1,443.50 million of our borrowings were denominated in foreign currencies (US$) and Rs. 132.16 million of our borrowings were denominated in Indian Rupees.

Contractual and Other Commitments

The following table summarizes our contractual obligations as of December 31, 2017:

	Payments Due by Period					
	Within One Year	**After One Year but within Three Years**	**After Three Years but within Five Years**	**More than Five Years**	**Maturity Unidentified**	**Total**
	(Rs. in millions)					
Short-term borrowings	1,478.54	0.00	0.00	0.00	0.00	1,478.54
Long-term Borrowings	0.00	0.75	96.37	0.00	0.00	97.12
Trade Payables	367.22	0.00	0.00	0.00	0.00	367.22
Other Liabilities	142.57	0.00	0.00	0.00	0.00	142.57
Capital Commitments	13.20	0.00	0.00	0.00	0.00	13.20
Total	2,001.53	0.75	96.37	0.00	0.00	2,098.65

Capital Expenditures

The table below sets for our capital expenditure incurred for the periods indicated:

Particulars	For the nine months ended December 31,	For the year ended March 31,		
	2017	2017	2016	2015
	(Rs. in million)			
Capital expenditure	355.61	372.66	251.32	162.77

In the nine months ended December 31, 2017, we primarily incurred capital expenditures towards the expansion of our feed production capacity. In the year ended March 31, 2017, we primarily incurred capital expenditures for the expansion of the capacity of our feedmill. In the year ended March 31, 2016, we primarily incurred capital expenditures towards the construction of our feedmill. In the year ended March 31, 2015, we primarily incurred capital expenditure for upgradation of existing shrimp processing facilities.

Planned Capital Expenditure

We currently expect to incur capital expenditure amounting to Rs. 64.5 million by the year ended March 31, 2018, in addition to the cost of Rs. 218.57 million incurred as of December, 31 2017 towards the addition of capacity at our shrimp feed plant and Rs. 500.00 million for the year ended March 31, 2019.

Our actual capital expenditures may differ from the amounts set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, the availability of financing on terms acceptable to us, problems in relation to possible construction/development delays, delays in obtaining or receipt of governmental approval, changes in the legislative and regulatory environment and other factors that are beyond our control.

Contingent Liabilities and Commitments

The following table sets forth certain information relating to our contingent liabilities as of December 31, 2017:

Contingent liabilities and commitments	As at December 31, 2017
	(Rs. in millions)
Guarantee and commitments	
Investment commitment in Maximus ARC Limited	13.20
Contingent liabilities	
Claims against the Company not acknowledged as debts in respect of:	
Disputed income tax liabilities[(1)]	23.53
Capital commitments	64.50
Liability under letter of credit	-
Foreign documentary bills discounted	-

Note:

(1) In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

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.

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 of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which we grant credit terms in the normal course of business. We use the Expected Credit Loss ("**ECL**") model for assessing the impairment loss on trade and other receivables. For this purpose, we use a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. We believe that there is no change in allowance for credit losses for the periods presented. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms 30 to 180 days with our customers. As of December 31, 2017 and March 31, 2017, 2016 and 2015, our trade receivables were Rs. 2,088.9 million, Rs. 1,821.64 million, Rs. 900.3 million and Rs. 899.97 million, respectively. See "*Risk Factors – Internal Risk Factors*" on page 16.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on pages 292 and 16, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Seasonality of Business

Our business is affected by seasonal variations and adverse weather conditions. For further details see, "*Risk Factors – Our business is subject to seasonal variations that could result in fluctuations in our results of operations".*

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 119 of this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments occurring after December 31, 2017

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus which 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.

Critical Accounting Policies

We have set forth below some of our critical accounting policies under Ind AS. The preparation of our financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, income and expenses as well as the disclosure of contingent liabilities. The notes to the financial statements contain a summary of our significant accounting policies. Certain of these policies are critical to the portrayal of our financial condition, since they require management to make subjective judgements, some of which may relate to matters that are inherently uncertain. We base our estimates and judgements on historical experience and other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. As a result of changes in applicable statutory requirements, regulatory guidelines and accounting practices in India, our accounting policies may have undergone changes during the periods covered by this discussion. Accordingly, this discussion should be read in conjunction with our financial statements and notes as applicable during the respective fiscal year.

Property, plant and equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost (if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use) and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to us.

Depreciation

Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that we will obtain ownership by the end of the lease term. Freehold land and land under perpetual lease are not depreciated.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation of are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Impairment

Impairment of non-financial assets

The carrying amounts of our tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, the assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

We apply the expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when we become a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

<u>Financial assets</u>

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period we change our business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, 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 Other Income in the statement of profit or loss. The losses arising from impairment is recognised in the statement of profit or loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, we recognise interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment

On initial recognition of an equity investment that is not held for trading, we may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by- investment basis.

If we decide to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, we may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or hawse have transferred our rights to receive cash flows from the asset.

Financial liabilities

A financial liability is de-recognised 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 de-recognition 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities 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.

Derivative financial instruments and hedge accounting

We use derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since our hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalent comprise of 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.

Dividend distribution to equity holders

We recognise a liability to make dividend distributions to our equity holders when the distribution is authorised and the distribution is no longer at our discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within our control; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Income taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where we have a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Financial Information. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on us.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for us and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ("**MAT**") credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that we will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each reporting period and written down to the extent the aforesaid convincing evidence no longer exists.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

Significant economic changes that materially affected or are likely to affect revenue from operations

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" and "*Industry Overview*" on pages 119, 16 and 91, there have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

Material Increases in Net Revenues and Sales

Material increases in our net revenues and sales are primarily due to the reasons described in "*-Results of Operations"* above on page 292.

Total Turnover of Each Major Industry Segment in Which our Company Operated

We operate only in one industry segment (the aquaculture industry). Turnover data for this industry is not available to us.

Competitive Conditions

For a description of the competitive conditions in which we operate, see "*Our Business—Competition*" and "*Industry Overview*" on pages 137 and 91, respectively.

Suppliers or Customer Concentration

Other than as described in "*Our Business*" and "*Risk Factors*" on pages 119 and 16, respectively, we do not have any material dependence on a single or a few suppliers or customers.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) tax proceedings, (iv) material litigation (as per the materiality policy determined by our Board, pursuant to its resolution dated March 1, 2018), in each case, involving our Company, our Subsidiary, our Associate, our Promoters, or our Directors, and (v) any litigation involving our Company, our Promoters, our Directors, our Subsidiary, our Associate or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus:

(a) *Criminal, tax proceedings and actions by statutory authorities/ regulatory authorities: All pending criminal and tax proceedings, and all actions by statutory/ regulatory authorities involving the Company, its Subsidiary/ Directors/ Promoters/ Associate, and group companies (if any) as the case may be ("**Relevant Parties**") shall be deemed to be material;*

(b) *Pre-litigation notices: Notices received by the Relevant Parties, from third parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum;*

(c) *De minimis monetary threshold for civil litigation (other than litigation in the nature of criminal proceedings, actions by statutory/regulatory authorities and direct and indirect taxation claims): Pending litigation involving the Relevant Parties other than criminal proceedings, statutory and regulatory actions and taxation matters, shall be considered material if the monetary amount of the claim by or against the entity or person in any such proceeding exceeds 1% of the profit after tax on a consolidated basis of the Company as per the Restated Financial Statements for the last completed financial year. For the purposes of disclosure in this Draft Red Herring Prospectus, it is clarified that the de minimis threshold for all outstanding litigation involving the Relevant Parties, other than criminal proceedings, statutory and regulatory actions and taxation matters, is ₹10.55 million constituting 1 % of the profit after tax on a consolidated basis of the Company as per the last Restated Financial Statements of the Company for the financial year ended March 31, 2017. However, in the event of pending litigation (other than criminal proceedings, statutory and regulatory actions and taxation matters) wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations, performance, prospects or reputation of the Company.*

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company, our Subsidiary or our Associate; (ii) prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company, our Subsidiary or our Associate; or (iii) material frauds committed against our Company, in each case, in the preceding five years from the date of this Draft Red Herring Prospectus; (iv) pending proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues; (vi) legal action taken against our Promoters, by any Ministry/ Department of the Government of India or any statutory authority, during the last five years immediately preceding the year of issue of this Draft Red Herring Prospectus; (vii) matters involving our Company, our Subsidiary and our Associate pertaining to violations of securities law; and (viii) outstanding dues to material creditors and material small scale undertakings.

Litigation involving our Company, Subsidiary and Associate

Civil/ Criminal Litigation against our Company, Subsidiary and Associate

Nil

Civil/ Criminal Litigation by our Company, Subsidiary and Associate

Nil

Regulatory proccedings against our Company, Subsidiary and Associate

Nil

Tax proceedings

Except as disclosed below, there are no tax proceedings involving our Company, our Subsidiary, our Associate, our Promoter(s) or our Directors:

Nature of proceedings	Number of proceedings	Amount involved (in ₹million)
Company		
Direct Tax		
(i) Income tax cases	3	46.17*
(ii) Income tax notices	1	Nil
Indirect Tax	Nil	Nil

** In two cases the amount of demand has been paid in full and in one case the net demand is ₹23.53 million.*

Material frauds committed against our Company

Nil

Prosecutions filed, inquiries, inspections or investigations under the Companies Act

There are no prosecutions filed (whether pending or not), inquiries, inspections or investigations under the Companies Act or any previous company law against our Company, our Subsidiary or our Associate in the past five years.

Fines imposed or compounding of offences

There are no compounding applications which have been filed by our Company or our Subsidiary in the last five years. Further, there are no fines that have been imposed on our Company or our Subsidiary in the last five years.

Our Company has filed an application dated February 19, 2018 before the MCA, for condonation of delay in filing Form MGT-14 under Section 460 of the Companies Act, 2013. The Shareholders had pursuant to their special resolution dated December 3, 2014 approved the amendment of the objects clause of the MoA. Our Company was required to file the special resolution for alteration of the MoA (in accordance with Section 117(1) read with Section 117(3) of the Companies Act, 2013) with the RoC within 30 days of passing the resolution. Our Company failed to file the Form MGT-14 within the extended period of 270 days from the date it should have been filed. Accordingly, our Company has filed an application for condonation of delay and has requested the MCA to direct the RoC to take the Form MGT-14 on record. The application is still pending.

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences.

Defaults and non-payment of statutory dues

There are no instances of defaults and non-payment of statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financials institution (including interest) by our Company.

Violation of securities laws

There are no violations of securities laws committed by our Company, Subsidiary, Directors or Promoters in the past or that are pending against them.

Litigation involving our Promoters and Directors

Nil

Material developments since December 31, 2017

Other than as disclosed in "*Our Promoters and Promoter Group*" on page 167, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next 12 months.

Outstanding dues to Creditors

As of December 31, 2017, we had 334 creditors. The aggregate amount outstanding to such creditors on a consolidated basis as of December 31, 2017 was ₹367.22 million.

All creditors of the Company to whom the amount due by the Company exceeds ₹18.36 million, i.e., 5% of the consolidated trade payables of the Company as on December 31, 2017, on a consolidated basis based on the Restated Financial Statements, shall be considered material.

The material dues owed to small scale undertakings and other creditors as at December 31, 2017, is set out below:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings	-	-
Other Creditors	3	(81.72)

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://www.deviseafoods.com/list-of-creditors. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our Company, our Subsidiary and our Associate have received the necessary consents, licenses, permissions, registrations, certifications and approvals from various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as disclosed in this Draft Red Herring Prospectus, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiary undertake to obtain all material approvals and licenses and permissions required to operate our present business activities and in cases where we have not obtained the necessary licenses and approvals, we are in the process of making the required applications for licenses or seeking clarifications from the relevant authorities as to the applicability of the licenses to our business. For details, see "*Risk Factors - We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected*" on page 23. All necessary consents, licenses, permissions, registrations, certifications and approvals stated herein are valid as of the date of this Draft Red Herring Prospectus. For further details, in connection with the applicable regulatory and legal framework, see "*Regulations and Policies*" on page 139.

The objects clause of the respective charter documents of our Company and our Subsidiary enables our Company and our Subsidiary to undertake their respective present business activities.

Approvals in relation to our Company

The approvals obtained by our Company include the following:

I. Incorporation details of our Company

(i) Fresh certificate of incorporation dated March 19, 1998 issued by the RoC to our Company, in its current name, being Devi Sea Foods Limited.

For details in relation to our change in constitution pursuant to which changes were affected in our certificate of incorporation, see "*History and Corporate Matters*" on page 145.

II. Approvals in relation to the Offer

For details, see "*Other Regulatory and Statutory Disclosures*" on page 322.

III. Approvals under tax laws of our Company

Our Company is required to register itself (and in certain cases its shrimp processing facilities, shrimp feed mill, shrimp hatchery, godown or procurement centre) under various national tax laws and state specific tax laws including income tax, goods and service tax and state value added tax legislations. Our Company has obtained the necessary licenses, registrations and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

IV. Approvals in relation to our Business Operations

In order to operate our shrimp processing facilities (Devi-1 and Devi-2), our shrimp feed mill, shrimp farms, shrimp hatchery, our Company requires various consents, licenses, permissions, registrations, certifications and approvals under various laws, rules and regulations.

We are required to register with and obtain membership of the MPEDA and specifically register ourselves as an exporter with the MPEDA, all of which are currently subsisting.

Specifically, for our processing facilities we have obtained consents, licenses, permissions, registrations, certifications and approvals from the MPEDA for our peeling sheds, shrimp processing plants, storage premises (including detached cold storage for Devi-2); from the Export Inspection Council of India, Ministry of Commerce and Industry, Government of India for export of frozen raw and cooked fish and fishery products; from the Export Inspection Agency, Ministry of Commerce and Industry, Government of India for approved technologists at each of the processing facilities; and from the food facility registration from the US FDA. We have received acknowledgements for receipt of Industrial

Entrepreneur Memorandum for manufacture of the products by our Company issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India for our processing facilities.

Each of our shrimp processing plants also operate under approvals from state pollution control boards in relation to discharge of effluents, emission from chimneys and disposal of hazardous wastes; licenses from the Inspector of Factories to work our processing facilities; licenses to import, store and use petroleum in Devi-1 and license to store and use petroleum in Devi-2; approvals under the laws governing the safety and supply of electricity; no-objection certificates in relation to compliance with fire safety rules; and licenses by the Food Safety and Standards Authority of India.

In order to operate our shrimp feed mill, our Company requires various approvals and / or licenses from state pollution control boards; from the legal metrology department; from the Inspector of Factories to work our mill; approvals under the laws governing the safety and supply of electricity; no-objection certificates in relation to compliance with fire safety rules; and certification to operate boilers. Our certification from the Andhra Pradesh Boiler Inspection Department to operate boilers at the feed mill has expired as on March 1, 2018 and an application for renewal has been made. We have also received acknowledgement for receipt of Industrial Entrepreneur Memorandum for manufacture of the products by our Company issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India and have also obtained approvals Export Inspection Agency, Ministry of Commerce and Industry, Government of India to produce feed for aquaculture animals meant for export.

We have also obtained the consent to establish for the proposed shrimp feed mill located at Singarayakonda from the state pollution control board and acknowledgement for receipt of Industrial Entrepreneur Memorandum for manufacture of the products by our Company issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India for the proposed feed mill.

Our shrimp farm located at Gadepalem, and our shrimp hatchery located at Rajupalem village, operate under the respective registrations of the Government of India, Ministry of Agriculture, and Coastal Aquaculture Authority. Shrimp farms located at Pedapudi are leased from one of our Promoters, certain members of our Promoter Group and third parties and the approvals from the Government of Andhra Pradesh, Department of Fisheries are obtained and maintained by such persons.

Our windmill energy generator, located at Poomalaikundu, operates under approvals from the Tamil Nadu Electricity Board, and we have executed a power purchase agreement to sell electricity with the Tamil Nadu Electricity Board.

V. Foreign trade related approvals

Our Company has obtained the required registration issued by the Department of Commerce, Ministry of Commerce and Industry, Government of India allotting Importer-Exporter Code.

VI. Registrations under Employment and Labour Laws

Our Company has obtained the necessary registrations and approvals under various central and state labour laws for our shrimp processing plants, shrimp feed mill, offices which are required to be registered under various legislations including those governing provident funds; employee state insurance; industrial standing orders; 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; and other approvals under various labour laws. Some of these registrations are one-time registrations while certain others are valid for a fixed period, as specified in the registration certificates. Currently, all such registrations are valid and subsisting.

VII. Intellectual Property

Trademark

Our Company has registered the tradenames 'Devi Seafoods' and 'Devee' in Class 29 with the Trade Marks Registry under the Trade Marks Act, 1999.

Approvals in relation to our Subsidiary

We currently have one Subsidiary in the United States, which carries out its operations in the United States, through its registered office in New Jersey and its sales and administration office in Houston, Texas. Our Subsidiary is subject to numerous United States Federal, State and local laws in the conduct of its business, including rules and regulations adopted by the US FDA and US Customs among others. The Company is in material compliance with all such laws.

Our Subsidiary is also required to obtain, maintain and renew a number of licenses, permits and registrations in the United States, including with the US FDA. In particular, it is required to obtain licenses or permits in the states of Illinois, New Jersey, Florida and California, where we have warehouse and distribution operations. We do not currently have these licenses and are in the process of applying for them. See "*Risk Factors - We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected*" on page 23.

Approvals in relation to our Associate

Our Associate, Maximus ARC Limited was allotted a certificate of registration by the RBI in 2016, to commence the business of securitisation or asset reconstruction under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, which is currently valid and subsisting.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on January 12, 2018 under the Companies Act, 2013. Further, our Board has taken on record the approval of the Offer for Sale by the Selling Shareholders on February 9, 2018. Our IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolutions dated March 5, 2018.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 62.

The Equity Shares being offered by the Selling Shareholders in the Offer have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. The Selling Shareholders have also confirmed with respect to the Equity Shares held by them that they are the legal and beneficial owners of the Equity Shares being offered under the Offer.

The Selling Shareholders have on their own account confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by them in the Offer are free from any lien, encumbrance, transfer restrictions or third party rights.

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

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the Subsidiary, the Associate, the members of the Promoter Group, the persons in control of our Company, and the Selling Shareholders 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 authorities.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market related business in any manner.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoter or directors.

Prohibition with respect to Wilful Defaulters

Neither our Company, nor our Promoters, our Subsidiary, our Associate, relatives (as defined under the Companies Act, 2013) of the Promoters, Directors, nor the Selling Shareholders have been identified as a Wilful Defaulter. Further, there are no violations of securities laws committed by them in the past or that are 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 as explained under the eligibility criteria calculated in accordance with the Restated Financial Statements:

- Our Company has had net tangible assets of at least ₹30 million in each of the immediately preceding three full years (of 12 months each);

- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

- Our Company has had 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 financial year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the Financial Year ended March 31, 2017; and

- Our Company has not changed its name in the last one year.

Our Company's pre-tax operating profit, net worth and net tangible assets derived from the Restated Standalone Financial Statements included in this Draft Red Herring Prospectus as at, and for the immediately preceeding five Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	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
Net tangible Assets(1)	3,654.82	2,791.64	2,303.7	1,748.95	1,354.21
Pre-tax operating profit, as restated(2)	1,210.95	731.65	722.90	946.74	353.16
Net Worth(3)	3,856.86	3,042.09	2522.46	1,944.85	1,475.40

(1) 'Net tangible assets' means the restated net assets excluding intangible fixed assets, deferred tax assets/ liability and minority interest
(2) 'Pre-tax operating profit/(loss)' means net profit before the aggregate of tax, finance costs, other income, forex loss, derivative loss, donations & CSR expense, loss on sale of assets and minority interest
(3) 'Net Worth' means aggregate of Equity Share capital and other equity

Our Company's pre-tax operating profit, net worth and net tangible assets derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the immediately preceeding five Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	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
Net tangible Assets	4,997.05	4,021.16	3,160.25	2,282.2	1,691.34
Pre-tax operating profit, as restated	1,602.86	1,152.85	1,065.82	1,161.91	491.07
Net Worth	4,840.00	3,813.15	2,985.65	2,184.06	1,586.92

(1) 'Net tangible assets' means the restated net assets excluding intangible fixed assets, deferred tax assets/ liability and minority interest
(2) 'Pre-tax operating profit/(loss)' means net profit before the aggregate of tax, finance costs, other income, forex loss, derivative loss, donations & CSR expense, loss on sale of assets and minority interest
(3) 'Net Worth' means aggregate of Equity Share capital and other equity

Average pre-tax operating profit based on the three most profitable years out of the immediately preceding five years, being Fiscals 2017, 2016 and 2014, in terms of the Restated Financial Statements.

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.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE LEAD MANAGERS, AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN

FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 5, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED MARCH 5, 2018 ("DRAFT RED HERRING PROSPECTUS") PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

   (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC; FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH AND NOTED FOR COMPLIANCE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECTS CLAUSE OF THE COMPANY'S MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. – NOT APPLICABLE**

9. **WE CERTIFY 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**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY, AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**

11. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

12. **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.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

14. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – <u>NOTED FOR COMPLIANCE</u>**

15. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

16. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

17. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.**

18. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.** – **<u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED, IN ACCORDANCE WITH THE RELEVANT ACCOUNTING STANDARDS, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY OUR AUDITORS BY WAY OF A CERTIFICATE DATED MARCH 5, 2018.</u>**

19. **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) – <u>NOT APPLICABLE</u>**

The filing of this Draft Red Herring Prospectus does not, however, absolve the Company or any person who has authorized the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the Lead Managers, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the respective Selling Shareholders from any liability to the extent of the statements made by each Selling Shareholder in respect of them or the respective portion of the Equity Shares being offered by them, respectively under the Offer, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the Lead Managers

Our Company, the Directors and the Lead Managers 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. Anyone placing reliance on any other source of information, including our Company's website, www.deviseafoods.com or the respective websites of our Subsidiary, Associate or Promoter Group, would be doing so at his or her own risk. Each Selling Shareholder accepts no responsibility for any statements made, other than those specifically made by such Selling Shareholder, in relation to itself and its respective portion of the Equity Shares being offered by it under the Offer.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement, as and when executed.

All information shall be made available by our Company, the Selling Shareholders and the Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, 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 Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, VCFs, AIFs, FVCIs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, Systemically Important NBFCs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase 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 in whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiary, or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on

Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that acquires the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus, the Red Herring Prospectus and/or the Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Lead Managers that it has received a copy of this Draft Red Herring Prospectus, the Red Herring Prospectus and/or the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;

(9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that acquires the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus, the Red Herring Prospectus and/or the Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the Lead Managers that it has received a copy of this Draft Red Herring Prospectus, the Red Herring Prospectus and/or the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a "**Relevant Member State**"), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Lead Managers; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the Lead Managers and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Lead Managers has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, the Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI Bhavan, at Plot No. C 4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the Registrar of Companies.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay without interest, all moneys received from the Bidders in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or such timeline as prescribed under the applicable law. Further, the Selling Shareholders confirm that they shall extend all reasonable co-operation required by our Company and the Lead Managers for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by law.

For details in relation to the expenses for the Offer, see "*Objects of the Offer – Offer Expenses*" on page 86.

Price information of past issues handled by the Lead Managers

A. Axis

1. Price information of past issues handled by Axis:

S. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-	-	-
2.	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-10.40%,[+0.06%]	-6.47%, [+3.47%]	-
3.	The New India Assurance Company Limited	18,933.96	800[6]	13-Nov-17	750.00	-27.91%,[+0.15%]	-7.81%, [+3.08%]	-
4.	Mahindra Logistics Limited	8,288.84	429[5]	10-Nov-17	429.00	+2.49%,[0.00%]	+9.48%,[+1.50%]	-
5.	Reliance Nippon Life Asset Management Limited	15,422.40	252	06-Nov-17	295.90	+3.61%[-3.19%]	+8.12%,[+2.05%]	-
6.	General Insurance Corporation of India	111,758.43	912[4]	25-Oct-17	850.00	-12.92%,[+0.52%]	-13.95%,[+6.52%]	-
7.	Indian Energy Exchange Limited	10,007.26	1650	23-Oct-17	1,500.00	-8.15%,[+1.39%]	-1.95%,[+7.67%]	-
8.	Godrej Agrovet Limited	11,573.12[3]	460	16-Oct-17	615.60	+14.96%,[-0.43%]	+35.66%,[+4.99%]	-
9.	SBI Life Insurance Company Limited	83,887.29	700[2]	03-Oct-17	735.00	-7.56%,[5.89%]	-0.07%,[+5.84%]	-
10.	Capacit'e Infraprojects Limited	4,000	250	25-Sep-17	399.00	+36.30%,[+3.39%]	+57.42%,[+6.67%]	-

Source: www.nseindia.com

1. *Offer Price was ₹887.00 per equity share to Retail Individual Bidders and Eligible Employees*
2. *Offer Price was ₹632.00 per equity share to Eligible Employees*
3. *Company has undertaken a Pre-Ipo Placement aggregating to `84.88 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated July 18, 2017, being `3,000.00 Million, has been reduced accordingly.*
4. *Offer Price was ₹855.00 per equity share to Retail Individual Bidders and Eligible Employees*
5. *Offer Price was ₹387.00 per equity share to Eligible Employees*
6. *Offer Price was ₹770.00 per equity share to Retail Individual Bidders and Eligible Employees*

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis:

Fiscal Year	Total No. of IPOs	Total Funds Raised (in ₹million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-2018*	16	329,571.86	-	1	7	1	2	4	-	1	-	2	2	-
2016-2017	10	111,377.80	-	-	1	4	2	3	-	-	-	7	1	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

**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.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. I-SEC

1. Price information of past issues handled by I-SEC:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	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	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38%, [+11.31%]
2	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	19-May-17	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
3	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
4	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
5	Matrimony.Com Limited	4,974.79	985.00(2)	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-
6	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	-
7	SBI Life Insurance Company Limited	83,887.29	700.00(3)	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-
8	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	-	-
9	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	-	-	-
10	Aster DM Healthcare Limited	9,801.4	190	26-Feb-18	183	-	-	-

(1) Discount of ₹2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹60.00 per equity share.

(2) *Discount of ₹98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹985.00 per equity share.*
(3) *Discount of ₹68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹700.00 per equity share.*

Notes:
1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

2. Summary statement of price information of past issues handled by I-SEC:

Fiscal Year	Total No. of IPOs	Total Funds Raised (in ₹million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	9	208,306.61	-	-	4	1	-	2	-	-	-	**1**	**2**	-
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-

C. Kotak

3. Price information of past issues handled by Kotak:

S. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aster DM Healthcare Limited	980.14	190	26-Feb-2018	183.00	-	-	-
2.	The New India Assurance Company Limited(1)	9,466.98	800	13-Nov-17	750.00	-27.91% [+0.15%]	-12.93%[+2.25%]	-
3.	Mahindra Logistics Limited(2)	828.88	429	10-Nov-17	429.00	+3.12% [-0.54%]	+9.48%[+1.50%]	-
4.	General Insurance Corporation of India(3)	11,175.84	912	25-Oct-17	850.00	-12.92% [+0.52%]	-13.95%[+6.52%]	-
5.	Indian Energy Exchange Limited	1,000.73	1,650	23-Oct-17	1,500.00	-8.15% [+1.39%]	-1.77%[+6.97%]	-

S. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
6.	Godrej Agrovet Limited	1,157.31	460	16-Oct-17	615.60	+14.96%[- 0.43%]	+34.95%[+4.40%]	-
7.	SBI Life Insurance Company Limited(4)	8,386.40	700	3-Oct-17	735.00	-7.56%[+ 5.89%]	-0.66%[+6.81%]	-
8.	Security and Intelligence Services (India) Limited	779.58	815	10-Aug-17	879.80	-3.29%[+ 1.17%]	+3.14%[+5.40%]	+39.12%[+8.62%]
9.	CL Educate Limited	238.95	502	31-Mar-17	402.00	-8.98%[+ 1.42%]	-15.36%[+3.46%]	-31.92%[+7.61%]
10.	Avenue Supermarts Limited	1,870.00	299	21-Mar-17	600.00	+145.08%[- 0.33%]	+167.59%[+4.97%]	+263.80%[+10.42%]
11.	Laurus Labs Limited(5)	1,330.50	428	19-Dec-16	489.90	+11.44%[+3.62%]	+23.97%[+13.03%]	+41.43%[+18.31%]
12.	Varun Beverages Limited	1,112.50	445	8-Nov-16	430.00	-7.72%[-5.17%]	-11.49%[+2.31%]	+8.89%[+8.68%]
13.	PNB Housing Finance Limited(6)	3,000.00	775	7-Nov-16	860.00	+11.70%[-4.16%]	+21.28%[+2.87%]	+70.50%[+9.28%]
14.	L&T Technology Services Limited	894.40	860	23-Sep-16	920.00	-0.85%[-1.57%]	-8.54%[-8.72%]	-9.55%[+3.28%]
15.	RBL Bank Limited	1,212.97	225	31-Aug-16	274.20	+27.07%[-2.22%]	+56.98%[-7.50%]	+103.07%[+1.74%]
16.	Larsen & Toubro Infotech Limited(7)	1,236.38	710	21-Jul-16	667.00	-6.39%[+1.84%]	-12.44%[+1.97%]	-4.21%[-1.14%]
17.	Mahanagar Gas Limited(8)	1,038.88	421	1-Jul-16	540.00	+20.86%[+3.72%]	+57.15%[+5.00%]	+83.71%[-3.55%]
18.	Parag Milk Foods Limited(9)	750.54	215	19-May-16	217.50	+17.07%[+4.97%]	+48.67%[+11.04%]	+38.93%[+6.59%]
19.	Ujjivan Financial Services Limited	882.50	210	10-May-16	231.90	+72.38%[+4.88%]	+120.90%[+10.08%]	+98.31%[+6.92%]
20.	Healthcare Global Enterprises Limited	649.64	218	30-Mar-16	210.20	-15.32%[+1.45%]	-19.98%[+4.65%]	-1.31%[+14.17%]
21.	Dr. Lal PathLabs Limited(10)	631.91	550	23-Dec-15	720.00	+32.54%[-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
22.	S H Kelkar and Company Limited	508.17	180	16-Nov-15	223.70	+21.69%[-1.35%]	+20.78%[-10.58%]	+24.97% [+0.11%]
23.	Interglobe Aviation Limited(11)	3,008.50	765	10-Nov-15	855.80	+32.39%[-2.20%]	+9.41%[-3.78%]	+40.59% [-0.64%]
24.	Coffee Day Enterprises Limited	1,150.00	328	2-Nov-15	317.00	-21.42%[-1.19%]	-19.73%[-6.05%]	-20.98% [-2.50%]
25.	Sadbhav Infrastructure Project Limited	491.66	103	16-Sep-15	111.00	-2.28% [+3.55%]	-5.63%[-3.15%]	-12.67% [-4.92%]
26.	Power Mech Projects Limited	273.22	640	26-Aug-15	600.00	-9.36% [+0.98%]	-4.63%[+0.74%]	-10.65% [-7.15%]
27.	Manpasand Beverages Limited	400.00	320	9-Jul-15	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
28.	Adlabs Entertainment Limited(12)	374.59	180	6-Apr-15	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]

Source: www.nseindia.com

Notes:

1. *In The New India Assurance Company Limited, the issue price to retail individual bidders and employees was ₹770 per equity share after a discount of ₹30 per equity share.*
2. *In Mahindra Logistics Limited, the issue price to employees was ₹387 per equity share after a discount of ₹42 per equity share. The Anchor Investor Issue price was ₹429 per equity share.*
3. *In General Insurance Corporation of India, the issue price to retail individual bidders and employees was ₹867 per equity share after a discount of ₹45 per equity share.*
4. *In SBI Life Insurance Company Limited, the issue price to employees was `632 per equity share after a discount of ``68 per equity share. The Anchor Investor Issue price was ₹700 per equity share.*
5. *In Laurus Labs Limited, the issue price to employees was ₹388 per equity share after a discount of ₹40 per equity share. The Anchor Investor Issue price was ₹428 per equity share.*
6. *In PNB Housing Finance Limited, the issue price to employees was ₹700 per equity share after a discount of ₹75 per equity share. The Anchor Investor Issue price was ₹775 per equity share.*
7. *In Larsen & Toubro Infotech Limited, the issue price to retail individual investor was ₹700 per equity share after a discount of ₹10 per equity share. The Anchor Investor Issue price was ₹710 per equity share.*
8. *In Mahanagar Gas Limited, the issue price to employees was ₹383 per equity share after a discount of ₹38 per equity share. The Anchor Investor Issue price was ₹421 per equity share.*
9. *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.*
10. *In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹535 per equity share after a discount of ₹15 per equity share. The Anchor Investor Issue price was ₹550 per equity share.*
11. *In Interglobe Aviation Limited, the issue price to employees was ₹688.50 per equity share after a discount of ₹76.5 per equity share. The Anchor Investor Issue price was ₹765 per equity share.*
12. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was `221 per equity share.*
13. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
14. *Nifty is considered as the benchmark index.*

4. Summary statement of price information of past issues handled by Kotak:

Financial Year	**Total no. of IPOs**	**Total amount of funds raised (Rs. Cr.)**	**No. of IPOs trading at discount - 30th calendar days from listing**			**No. of IPOs trading at premium - 30th calendar days from listing**			**No. of IPOs trading at discount - 180th calendar days from listing**			**No. of IPOs trading at premium - 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2017-2018*	8	33,775.86	-	1	4	-	-	2	-	-	-	-	1	-
2016-2017	11	13,567.63	-	-	4	2	1	4	-	1	2	5	2	1
2015-2016	9	7,487.69	-	-	5	-	2	2	-	1	4	2	1	1

**As on the date of this Draft Red Herring Prospectus*

Track record of past issues handled by the Lead Managers

For details regarding the track record of the Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Lead Managers as set forth in the table below:

S. No.	Name of the Lead Managers	Website
1.	Axis	www.axiscapital.co.in
2.	I-SEC	www.icicisecurities.com
3.	Kotak	http:// investmentbank.kotak.com/track-record/Disclaimer.html

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Auditors, Indian Legal Counsel to our Company, Indian Legal Counsel to the Lead Managers, International Legal Counsel to the Lead Managers, Bankers to our Company, the Lead Managers, the Syndicate Members, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Auditors have given their written consent for inclusion of their reports, on the Restated Financial Statements of our Company each dated February 23, 2018 and the statement of tax benefits dated February 25, 2018 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Offer

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

Our Company has received written consent from the Auditors, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Auditors on the Restated Financial Statements, each dated February 23, 2018 and the statement of tax benefits dated February 25, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer Expenses

For details of and in relation to the Offer expenses, see "*Objects of the Offer*" on page 86.

Fee, Brokerage and Selling Commission Payable to the Syndicate Members

The total fee payable to the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For further details, see "*Objects of the Offer*" on page 86.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, 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 agreement dated February 28, 2018 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/ speed post/ under certificate of posting.

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 86.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Other than as disclosed in "*Capital Structure*" on page 71, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years

Our Subsidiary is not listed as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies of our Company

Our Company has not undertaken any previous public or rights issue.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds of our Company as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any preference shares or convertible instruments as of the date of filing this Draft Red Herring Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

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 Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the Lead Managers.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Manas Ranjan Panigrahi, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "*General Information*" on page 64.

Our Company has constituted a Stakeholders' Relationship Committee comprising Trinath Gampa, Sambasiva Rao Gadde and J. Mallikarjunudu as its members. For further details on the Stakeholders' Relationship Committee, see "*Our Management*" on page 152.

Changes in Auditors

The statutory auditors have changed from Pendyala & Co. to J V S L & Associates, Chartered Accountants, in the last three years.

Capitalisation of Reserves or Profits

Except in connection with the bonus issue of Equity Shares on February 22, 2018, our Company has not capitalised its reserves or profits at any time during the last five years. For further details, see "*Capital Structure*" on page 71.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA and the AoA, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an offer for sale of Equity Shares by the Selling Shareholders. For further details, see *"The Offer"* beginning on page 62.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and the AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 394.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association, the Articles of Association and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 172 and 394, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹2 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer, the Retail Discount and the Employee Discount will be decided by our Company and the Selling Shareholders in consultation with the Lead Mangers and advertised in all editions of the English national newspaper, [●], all editions of the Hindi national newspaper, [●] and the [●] edition of the Telugu newspaper, [●] (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located) each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 394.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. The trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 27, 2018 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated January 3, 2011 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship, subject to the Articles of Association.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest at the exclusion of others, unless the nomination is varied or cancelled. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A nomination may be varied or cancelled 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 notice of such cancellation. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Lead Managers, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offer by way of an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●]*
BID/OFFER CLOSES ON	[●]**

* *Our Company and Selling Shareholders may in consultation with the Lead Managers, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

** *Our Company and Selling Shareholders may, in consultation with the Lead Managers, 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
Bid/Offer Closing Date	[●]

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend reasonable co-operation required by our Company and the Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by such Selling Shareholders in the Offer) at all Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case, no later than 3.00 p.m. IST on Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public holidays). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

In case of any 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 shall be taken as the final data for the purpose of Allotment.

Our Company and Selling Shareholders, in consultation with the Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in 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 terminals of the Syndicate Members.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment for such percentage of the post-Offer paid-up Equity Share capital of our Company in terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholders shall pay interest prescribed under the applicable law provided that, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

Further, our Company and the Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 71 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. For details see "*Main Provisions of the Articles of Association*" and "*Restrictions on Foreign Ownership of Securities*" on pages 394 and 393, respectively.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹9,000 million through an offer for sale of up to [●] Equity Shares by the Selling Shareholders. The Offer includes an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	**Eligible Employees**	**QIBs(1)**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/ allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Up to [●] % of the Offer.	Not more than 50% of the Net Offer size shall be available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the remaining QIB Portion (other than Anchor Investor Portion).	Not less than 15% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Non-Institutional Investors shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate	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 only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a	Proportionate	The Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see "*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 382

Particulars	Eligible Employees	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
		discretionary basis to Anchor Investors		
Mode of Bidding	ASBA only	ASBA only [3]	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] so as to ensure that the Bid Amount does not exceed ₹500,000 (which will be less Employee Discount).	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Who can apply	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[4]			

* *Assuming full subscription in the Offer*

(1) *Our Company and Selling Shareholders in consultation with the Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 348*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.*

(3) *Anchor Investors are not permitted to use the ASBA process*

(4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure -Section 7: Allotment Procedure and Basis of Allotment" on page* 382.

The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount) at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Employee Discount) does not exceed ₹500,000. Please refer to "*Offer Procedure - Maximum and Minimum Bid Size*" on page 368.

Retail Discount

Subject to valid Bids being received at or above the Offer Price, our Company and Selling Shareholders may in consultation with the Lead Managers offer a Retail Discount to Retail Individual Bidders in accordance with the SEBI ICDR Regulations.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholders and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and Selling Shareholders in consultation with the Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company. Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. ASBA Bidders should ensure that their ASBA Accounts contain sufficient credit balance as an amount equivalent to the full Bid Amount shall be blocked by the SCSB at the time of submitting the Bid.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FPIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account, details of which were provided by the Bidder in his respective ASBA Form and shall not submit it to any non-SCSB or any Escrow Collection Bank.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 Promoter, Promoter Group, the Lead Managers, the Syndicate Members and persons related to the Promoter/Promoter Group/Lead Managers

The Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Lead Managers nor any persons related to the Lead Managers (other than Mutual Funds sponsored by entities related to the Lead Managers) nor the Promoters, Promoter Group or any persons related to the Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

Other than the sale of Equity Shares by the Promoters and Promoter Group in the Offer, the Promoters and Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of a company and subject to prior intimation to RBI. Pursuant to a Board resolution dated January 23, 2018 and a Shareholders' resolution dated January 30, 2018, the aggregate limit of 24% has been increased up to 49% of the paid-up Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, or unlisted debt securities or securitised debt instruments 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; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or non-resident Indians or to entities that are beneficially owned by resident Indians or non-resident Indians.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I AIF and Category II AIF cannot invest more than 25% of the corpus in one investee company. A Category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (les the Employee Discount). The maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000 (less the Employee Discount).

(c) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(e) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(f) Eligible Employees can apply at Cut-off Price.

(g) Bid by Eligible Employees can be made also in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

(h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of the Company.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 382.

Employee Discount of ₹[●] to the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion.

Bids by banking companies, SCSBs and Systemically Important NBFCs

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 this, our Company and the Selling Shareholders in consultation with the Lead Managers 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 (Financial Services provided by Banks) Directions, 2016, as amended (the "**2016 RBI Directions**") is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company is permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act (with the prior approval of the RBI), or (ii) the additional acquisition is through restructuring of debt, or to protect the banks' interest on loans/investments made to a company (in which case the bank is also required to submit a time bound action plan for disposal of such shares within a specified period to the RBI). Further, except in cases mentioned in (i) and (ii) in the preceding sentence, the bank along with its subsidiaries, associates, joint ventures or entities directly or indirectly controlled by the bank and asset management companies controlled by the bank cannot hold more than 20% of the paid-up share capital of an investee company that is engaged in non-financial services. Further, the aggregate equity investment by a banking company (excluding certain investments such as investments made through restructuring of debt) in all subsidiaries and other entities engaged in financial and non-financial services (including overseas investments) cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (subject to certain exemptions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in Section 5(a)(v)(c)(i) of the 2016 RBI Directions.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from the statutory auditors of the Systemically Important NBFC, and (iv) such other approval as may be required by the approval Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Lead Managers reserves the right to reject any Bid without assigning any reason.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars as prescribed by RBI from time to time.

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 and Selling Shareholders in consultation with the Lead Managers 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 as amended are broadly set forth below:

(a) 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 life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Lead Managers reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. Ensure the names given in the Bid cum Application Form are exactly the same as the names in which the beneficiary account is held with the DP. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the 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. All other applications in which PAN is not mentioned will be rejected;

13. 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;

14. Ensure that the category and the investor status is indicated;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN

entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not Bid for a Bid Amount exceeding ₹500,000 (for Bids by Eligible Employees);

5. Do not fill up Bid cum Application Form such that Equity Shares bid for exceed Offer Size/investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Anchor Investors should not bid through ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. Do not submit more than five Bid cum Application Forms per ASBA Account;

12. 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;

13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).

15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

16. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

17. Do not Bid for shares more than specified by respective Stock Exchanges for each category;

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 Bidder; and

19. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholders in consultation with the Lead Managers, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under Regulation 47(1) read with Schedule XIII of the SEBI ICDR Regulations, in: (i) all editions of the English national newspaper, [●]; (ii) all editions of the Hindi national newspaper, [●]; and (iii) the [●] edition of Telugu newspaper, [●] (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;

- our Company shall make the necessary applications to the Stock Exchanges for the Equity Shares;

- if Allotment is not made application money will be refunded/unblocked in ASBA Account 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 at the rate of 15% per annum for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The statements and undertakings provided below, in relation to each Selling Shareholder, are statements which are specifically confirmed or undertaken by such Selling Shareholder. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to such Selling Shareholder. Each Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI in accordance with Regulation 26(6) of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer;

- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialised form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

- it shall provide appropriate instructions and all reasonable assistance as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to Anchor Investors to the extent of the Equity Shares offered by it pursuant to the Offer;

- it shall provide such reasonable support, information and documentation and extend such reasonable cooperation as may be required by our Company and the Lead Managers for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall not transfer the Equity Shares except in the Offer during the period commencing from submission of this Draft Red Herring Prospectus until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer;

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Company and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Company undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the C 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 Company in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Company is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Company 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 Company.

For undertaking an IPO, the Company 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 Regulations. For details of compliance with the eligibility requirements by the Company, 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 Company 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 Company.

For undertaking an FPO, the Company is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Company, 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, the Company proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the

Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI Regulations, a Company can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). A Company 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 Company 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/Offer 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 Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Company may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Company on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

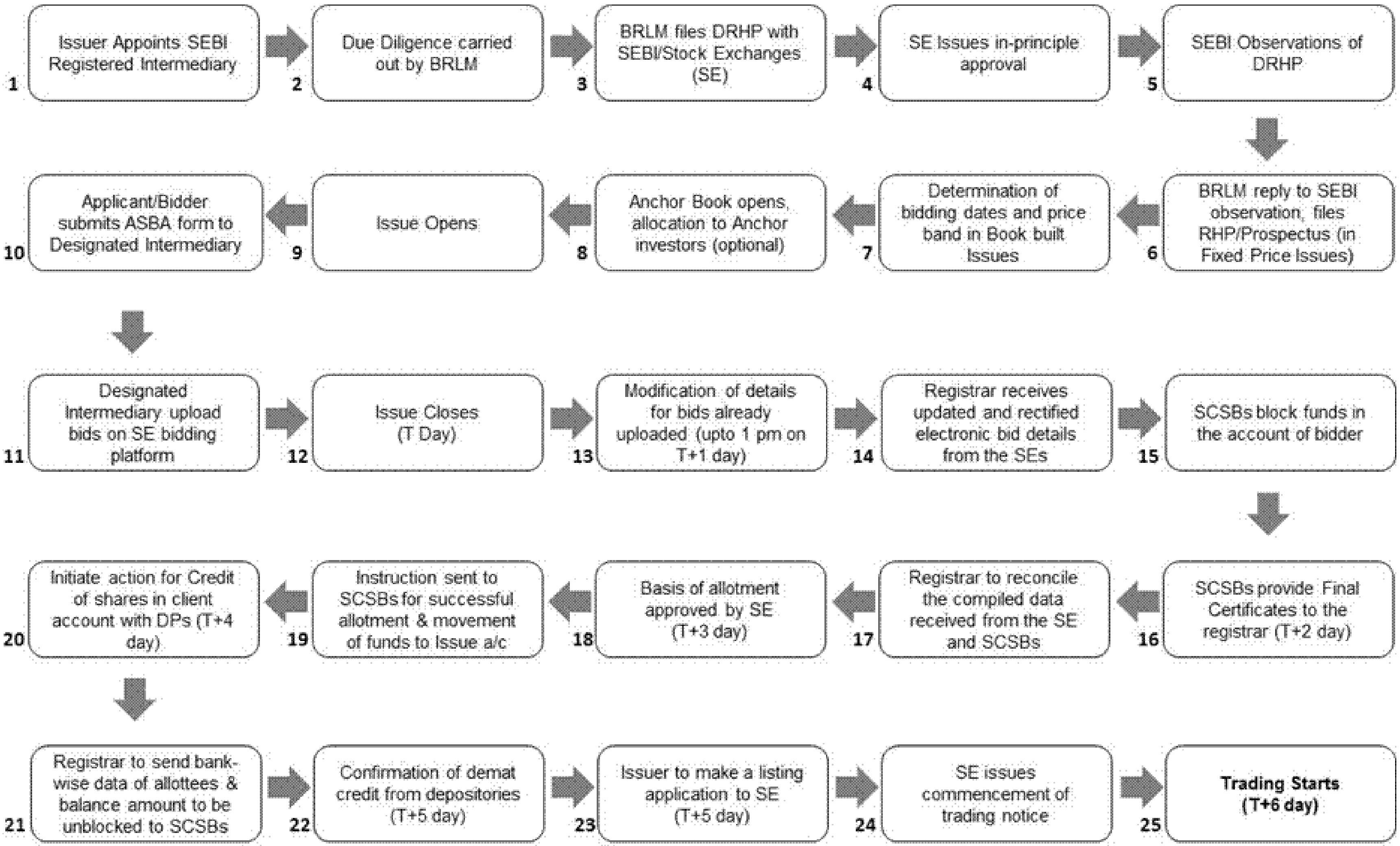
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7 : Determination of Offer Date and Price

    ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized 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 Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Company. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate

Office of the Company. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Company

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE '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 do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	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
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. INVESTOR STATUS

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)________

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

- ☐ Retail Individual Bidder
- ☐ Non-Institutional Bidder
- ☐ QIB

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ____________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

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XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

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 Company, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an 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:*

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) 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

(f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted

Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Company. The Company is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Company 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 the Company on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Company.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹500,000. However, Allotment to the Employees under the employee reservation portion may exceed ₹200,000 (which will be less employee discount) only in the event of an under-subscription in the employee reservation portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the employee reservation portion, for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000 (which will be less the employee discount).

(c) In case the Bid Amount exceeds ₹200,000 (except, Bids by Employees under the Employee Reservation Portion), 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.

(d) 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.

(e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Company, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹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 Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Offer size.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Portion can be allocated by the Company, 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 Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) The Company can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order, cheques, demand drafts or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS, NACH or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

Additional payment instructions for Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis must use the Bid cum Application Form for residents and make payment through the NRO Account. Eligible NRIs Bidding on a repatriation basis must use the Bid cum Application Form meant for Non-Residents. In the case of Bids by Eligible NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.2.1 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹200,000 or more than ₹500,000 in case of Employees bidding in the Employee Reservation Portion, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R
Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
Mr. / Ms.
Address
Email
Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS
PAYMENT OPTION : FULL PAYMENT PART PAYMENT
Additional Amount Paid (₹ in figures) (₹ in words)
ASBA Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER
Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID
PAN of Sole / First Bidder
Additional Amount Paid (₹)
Bank & Branch
Stamp & Signature of SCSB Branch
ASBA Bank A/c No.
REVISED BID
Received from Mr./Ms.
Telephone / Mobile
Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.
Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE
PLEASE FILL IN BLOCK LETTERS
TEAR HERE

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/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(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 RIBs, and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case of revision in Bids by Employees under the Employee Reservation Portion, such Employees shall ensure that the Bid Amount, subsequent to revision does not exceed ₹500,000. In the event of under subscription in the employee reservation portion, the unsubscribed portion may be Allotted on a proportionate basis for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, except Bids by Employees under the Employee Reservation Portion, wherein the application amount shall not exceed ₹500,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Company may mention Offer 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 Company in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by the Company on basis of such minimum application value.

(c) Applications by RIBs 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, except for Bids by Employees bidding in the Employee Reservation Portion wherein the application amount payable should not exceed ₹500,000.

(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 Company, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) The Company can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location 2) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorised the Company to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(q) Bids not uploaded in the Stock Exchanges bidding system.

(r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Company or the Registrar to the Offer;

(v) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(w) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB Portion is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Company, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company 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 company, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, companies 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 Company may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Company may place a cap either in terms of number of specified securities or percentage of issued capital of the Company that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Company is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI Regulations or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (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 Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the Company in consultation with the Selling Shareholder and 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 ₹100 million;
- Minimum of 2 and maximum of 15 Anchor Investors for allocation above ₹ 100 million and upto ₹2500 million, subject to minimum allotment of ₹50 million per such Anchor Investor; and
- In case of allocation above ₹2,500 million, a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation upto ₹2,500 million, and an additional 10 Anchor Investors for every additional

₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 ALLOTMENT UNDER EMPLOYEE RESERVATION PORTION

Allotment to all successful Eligible Employees may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible Employees to the extent of their demand. In case the aggregate demand in this category is greater than the Employee Reservation Portion at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Employee Reservation Portion.

7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Company may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Company;

(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.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Company shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

The Company 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 Company fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Company shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Company may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Company becomes liable to repay it, then the Company and every director of the Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Company does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Company may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Company becomes liable to pay the amount received from Bidders, then the Company and every director of the Company who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Company 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 the Company not eligible under Regulation 26(1) of the SEBI Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Company, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH—**National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Company may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Offer Closing Date.

The Company may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI Regulations and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Company
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Company is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Company is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Company may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI Regulations, in terms of which the Offer is being made

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Company. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Company in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder~~/Applicant~~’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Company
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI Regulations.
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 a Company as defined under SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Company
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Company, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
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/ Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Company in consultation with the Book Running Lead Manager(s)
Issuer/Company	The Company proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB 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
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion

Term	Description
Non Institutional Bidders or NIBs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Company including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Company in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Company is situated, newspaper each with wide circulation
Pricing Date	The date on which the Company in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Company
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

Term	Description
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI Regulations
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Company who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Regulations	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 Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Company where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Company, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Company, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All trading days of Stock Exchanges, excluding Sundays and holidays for commercial banks in Mumbai.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the RBI and the relevant ministry or ministries of the Government of India.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. 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 Policy 2017**"), 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.

Subject to certain conditions, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the RBI or the relevant ministry or ministries of the Government of India, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2017 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy 2017; 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 the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 the Lead Managers are not liable for any amendments or modification or changes in applicable laws

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013, as amended shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013, as amended.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" means the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013) and the notified sections of the Companies Act, 2013 and include the Rules made thereunder, each as amended.

b. "**ADRs**" shall mean American Depository Receipts representing ADSs.

c. "**Annual General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

d. **"ADR Facility"** shall mean an ADR facility established by the Company with a depository bank to hold any Equity Shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

e. **"ADSs"** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

f. **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

g. **"Auditors"** shall mean and include those persons appointed as such for the time being by the Company.

h. **"Board"** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.

i. **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

j. **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

k. **"Business Day"** shall mean a day on which scheduled commercial banks are open for business in India.

l. **"Capital" or "share capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

m. **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 37 and 71 herein below.

n. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being and shall include any statutory modification or re-enactment thereof.

o. **“Company” or “this Company”** shall mean **DEVI SEA FOODS LIMITED.**

p. **“Committees”** shall mean a committee constituted in accordance with Article 73.

q. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

r. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

s. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

t. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.

u. **“Dividend”** shall include interim dividends.

v. “**Equity Share Capital**” shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

w. “**Equity Shares**” shall mean fully paid-up equity shares of the Company having a par value of INR 2/- (Rupees Two) per equity share or any other issued share capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

x. **“Executor”** or **“Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

y. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

z. “**Financial Year**” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for Equity Shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.

aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.

bb. **“GDSs**” shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

dd. “**Independent Director**” shall mean an independent director as defined under the Act and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

ee. **“India”** shall mean the Republic of India.

ff. **"Law"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) generally accepted accounting principles or the relevant accounting standards.

gg. "**Managing Director**" shall have the meaning assigned to it under the Act.

hh. "**MCA**" shall mean the Ministry of Corporate Affairs, Government of India.

ii. "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

jj. **"Office"** shall mean the registered office for the time being of the Company.

kk. **"Officer"** shall have the meaning assigned thereto by Section 2(59) of the Companies Act, 2013, as amended.

ll. **"Ordinary Resolution**" shall have the meaning assigned thereto by Section 114 of the Companies Act, 2013, as amended.

mm. "**Paid up**" shall include the amount credited as paid up.

nn. "**Person**" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

oo. "**Register of Members**" shall mean the register of shareholders to be kept pursuant to Section 88 of the Companies Act, 2013, as amended.

pp. "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

qq. "**Rules**" shall mean the rules made under the Act and notified from time to time.

rr. "**Seal**" shall mean the common seal(s) for the time being of the Company.

ss. "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992, as amended.

tt. "**SEBI Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

uu. **"Secretary"** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended who is appointed by a company to perform the functions of a company secretary under the Act.

vv. "**Securities**" shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

ww. **"Share Equivalents"** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

xx. "**Shareholder**" shall mean any shareholder of the Company, from time to time.

yy. "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

aaa. **"Special Resolution"** shall have the meaning assigned to it under Section 114 of the Companies Act, 2013, as amended.

bbb. **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

ccc. "**Tribunal**" shall mean the National Company Law Tribunal constitutes under Section 408 of the Companies Act, 2013, as amended.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a Person shall, where the context permits, include such Person's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a Person being liable to another Person, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its securities, issue of bonus securities, issue of securities in a scheme of arrangement (including amalgamation or de-merger) and reclassification of Equity Shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000/- (Rupees Five Lakhs only) or such higher amount as may be required under the Act.

(c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.

(d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(f) The Board may allot and issue securities of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any securities which may be so allotted may be issued as fully/partly paid up securities and if so issued shall be deemed as fully/partly paid up securities. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(j) All of the provisions of these Articles shall apply to the Shareholders.

(k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(l) The money, (if any), which the Board shall, on the allotment of any securities being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any securities allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

(a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of securities made for the purposes of the redemption;

(b) No such preference shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the preference shares are redeemed;

(d) Where any such preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Companies Act, 2013, as amended, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Companies Act, 2013, as amended.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Companies Act, 2013, as amended, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Companies Act, 2013, as amended, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, as amended and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Companies Act, 2013, as amended and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Companies Act, 2013, as amended, cause to be kept the following registers in terms of the applicable provisions of the Act

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, 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 deems adequate, being given, a new Certificate in lieu thereof shall be given to the Person entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding such for each certificate as may be prescribed under law) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including the rules or regulations or requirements of any stock exchange and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 of the Companies Act, 2013, as amended and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 53 of the Companies Act, 2013, as amended) and at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting, give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 46 and 56 of the Companies Act, 2013, as amended and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a fee not exceeding such fee as may be prescribed under Law.

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be under seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the one or several joint holders shall be sufficient delivery to all such holders.

(iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

(a) Subject to the provisions of Section 49 of the Companies Act, 2013, as amended, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Companies Act, 2013, as amended) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid-up share), registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 19(i)((b);

(ii) on all shares (not being fully paid-up shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. 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.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid-up Debenture), registered in the name of each debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid-up Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such Debentures.

(c) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(d) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the

Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules or otherwise under Law.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode or any other mode prescribed under LAw to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) Nothing in sub-Article (a)(i)(b) of this Article shall be deemed:

(i) To extend the time within which the offer should be accepted; or
(ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Companies Act, 2013, as amended, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) Every instrument of transfer of shares shall be in writing and the provisions of Section 56 of the Companies Act, 2013, as amended and of any statutory modification thereof, and all other applicable provisions of the Act for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Companies Act, 2013, as amended, the Rules, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company or debentures of the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein 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.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) There shall be a common form of transfer in accordance with the Act and Rules.

(s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Companies Act, 2013, as amended shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Companies Act, 2013, as amended or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories

Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

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 Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

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 Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

(d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Companies Act, 2013, as amended shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Companies Act, 2013, as amended shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Companies Act, 2013, as amended and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and may be issued on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Companies Act, 2013, as amended of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

(a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(b) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

(c) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

(d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

(e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Companies Act, 2013, as amended which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(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 privileges or advantages, (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.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Companies Act, 2013, as amended to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the

Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Companies Act, 2013, as amended. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting or in such other manner as may be prescribed under Law.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Companies Act, 2013, as amended.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Companies Act, 2013, as amended shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Companies Act, 2013, as amended.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, as amended, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Companies Act, 2013, as amended, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders’ Meeting shall be in accordance with Section 103 of the Companies Act, 2013, as amended. Subject to the provisions of Section 103(2) of the Companies Act, 2013, as amended, if such a quorum is not present within half an hour from the time set for the Shareholders’ Meeting, the Shareholders’ Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders’ Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Companies Act, 2013, as amended to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Companies Act, 2013, as amended and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll 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 any right of lien.

(b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Companies Act, 2013, as amended, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Companies Act, 2013, as amended and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Companies Act, 2013, as amended in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Companies Act, 2013, as amended, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from India. An Alternate Director appointed under this Article 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 office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act, 2013, as amended and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Companies Act, 2013, as amended the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to under the Companies Act, 2013, as amended.

(d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company’s business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167 and 188 of the Companies Act, 2013, as amended, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Companies Act, 2013, as amended; or

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(ix) he acts in contravention of Section 184 of the Companies Act, 2013, as amended; or

(x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

(xi) he is removed in pursuance of Section 169 of the Companies Act, 2013, as amended; or

(xii) he is disqualified under Section 164(2) of the Companies Act, 2013, as amended.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Companies Act, 2013, as amended and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

i. sale, purchase or supply of any goods or materials;

ii. selling or otherwise disposing of, or buying, property of any kind;

iii. leasing of property of any kind;

iv. availing or rendering of any services;

v. appointment of any agent for purchase or sale of goods, materials, services or property;

vi. such Director's or its relative's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and

vii. underwriting the subscription of any securities or derivatives thereof, of the Company:

without the consent of the Shareholders by way of a Resolution in accordance with Section 188 of the Companies Act, 2013, as amended.

(b) no Shareholder of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Companies Act, 2013, as amended.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013, as amended; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

I. a director of such company, and

II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Companies Act, 2013, as amended and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Companies Act, 2013, as amended and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Companies Act, 2013, as amended shall apply accordingly.

(d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Companies Act, 2013, as amended as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Companies Act, 2013, as amended, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Companies Act, 2013, as amended), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Companies Act, 2013, as amended and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Companies Act, 2013, as amended, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Companies Act, 2013, as amended and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 of the Companies Act, 2013, as amended and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of securities under Section 68 of the Companies Act, 2013, as amended;

(c) to issue securities, including debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Companies Act, 2013, as amended.

In terms of Section 180 of the Companies Act, 2013, as amended, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

69. QUORUM FOR BOARD MEETING

(a) <u>Quorum for Board Meetings</u>

Subject to the provisions of Section 174 of the Companies Act, 2013, as amended, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

70. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) 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.

(b) 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.

71. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

72. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Companies Act, 2013, as amended;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

73. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Companies Act, 2013, as amended, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

74. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

75. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

76. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

77. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

78. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

79. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

80. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

81. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

82. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Companies Act, 2013, as amended, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

83. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Companies Act, 2013, as amended: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

84. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

(c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

85. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, as amended;

ii. number of meetings of the Board;

iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Companies Act, 2013, as amended;

iv. a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013, as amended;

v. in the event applicable, as specified under sub-section (1) of Section 178 of the Companies Act, 2013, as amended, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, as amended;

vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

vii. particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013, as amended;

viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

ix. the state of the Company's affairs;

x. the amounts, if any, which it proposes to carry to any reserves;

xi. the amount, if any, which it recommends should be paid by way of Dividends;

xii. material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;

xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

xiv. a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;

xv. the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;

xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

xvii. such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

86. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Companies Act, 2013, as amended and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Companies Act, 2013, as amended, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Companies Act, 2013, as amended and all the other provision of Section 140 of the Companies Act, 2013, as amended shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Companies Act, 2013, as amended.

(j) None of the persons mentioned in Section 141 of the Companies Act, 2013, as amended as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

87. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

88. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

89. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

90. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

91. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

92. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

93. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

94. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

95. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Companies Act, 2013, as amended the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Companies Act, 2013, as amended or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Companies Act, 2013, as amended or against both.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Companies Act, 2013, as amended, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Companies Act, 2013, as amended.

96. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Companies Act, 2013, as amended, viz. "Investor Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

97. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Companies Act, 2013, as amended, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

98. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

99. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the Company shall be wound up , the Liquidator may, with the sanction of a special Resolution of the Company and any other sanction required by the Act divide amongst the shareholders, 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.

(b) 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 shareholders or different classes of shareholders.

100. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Companies Act, 2013, as amended, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013, as amended in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the shareholders over all the claims.

101. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Companies Act, 2013, as amended, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

102. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

103. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the Company in accordance with these Articles.

(b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(c) The Articles of the Company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

104. SECRECY

No shareholder shall be entitled to inspect the Company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the Company to communicate to the public.

105. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar Agreement dated February 28, 2018 entered into between our Company, the Selling Shareholders and the Registrar to the Offer

2. Offer Agreement dated March 5, 2018 entered into between our Company, the Selling Shareholders and the Lead Managers

3. Cash Escrow Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Lead Managers, the Escrow Collection Bank and the Syndicate Members

4. Share Escrow Agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent

5. Syndicate Agreement dated [●] entered into between our Company, the Selling Shareholders and the members of the Syndicate

6. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time

2. Certificate of incorporation dated March 26, 1992

3. Fresh certificate of incorporation dated March 19, 1998 consequent upon conversion, recording the change of our Company's name to Devi Sea Foods Limited

4. Certificate of registration dated April 8, 2005 from the Assistant Registrar of Companies, Tamil Nadu at Chennai, of the order of the CLB for change of state, confirming the change in registered office from Andhra Pradesh to Tamil Nadu

5. Certificate of registration from the RoC dated August 4, 2014 of Regional Director order for change of state, confirming the change in registered office from Tamil Nadu to Andhra Pradesh

6. Annual reports of our Company for Fiscals 2017, 2016, 2015, 2014 and 2013

7. Resolutions of the Board of Directors dated January 23, 2018 and resolutions of our Shareholders dated January 30, 2018 and March 1, 2018, approving the terms of appointment of our Whole-time Directors

8. Resolution of the Board of Directors dated January 12, 2018 and February 9, 2018 in relation to the Offer and other related matters

9. Resolution of the Shareholders dated January 30, 2018 in relation to the Offer

10. Letters, each dated February 7, 2018, issued by the Selling Shareholders approving the offer for sale of the Equity Shares offered by them in the Offer

11. The examination reports each dated February 23, 2018 of the Auditors, on our Company's Restated Financial Statements included in this Draft Red Herring Prospectus

12. Shareholders agreement dated March 30, 2016 entered between our Company, P. Brahmanandam, Alluri Indra Kumar, Ganti Mahapatruni Rama Rao, Grandhi Sreeramakrishna, Siddharth Sharma, Nandipati Hema Rao, Ravi Kumar Velagapudi and Kaza Lakshminarayana in relation to our Associate

13. Letter of guarantee dated September 5, 2015 entered into amongst Union Bank of India, P. Brahmanandam, P. Suryavathi, P. Rama Devi, N. Naveena, K.A. John and Sambasiva Rao Gadde, amongst others

14. Consent letter from the Auditors dated March 1, 2018 for inclusion of their name as experts

15. Consent letter from CRISIL Research dated February 28, 2018 for inclusion of the CRISIL Report

16. The Statement of Tax Benefits dated February 25, 2018 from the Auditors

17. Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Auditors, Indian Legal Counsel to our Company, Indian Legal Counsel to the Lead Managers, International Legal Counsel to the Lead Managers, Bankers to our Company, lender to our Company, the Lead Managers, the Syndicate Members, Escrow Collection Bank, Public Offer Bank, Refund Bank, the Registrar to the Offer, to act in their respective capacities

18. Due diligence Certificate dated March 5, 2018 addressed to SEBI from the Lead Managers

19. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively

20. Tripartite agreement dated February 27, 2018 among our Company, NSDL and the Registrar to the Offer

21. Tripartite agreement dated January 3, 2011 among our Company, CDSL and the Registrar to the Offer

22. SEBI observation letter no. [●] dated [●]

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or the respective rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

________________________	________________________
P. Brahmanandam *(Chairman and Managing Director)*	**K.A. John** *(Whole-time Director)*
________________________	________________________
Sambasiva Rao Gadde *(Whole-Time Director)*	**P. Rama Devi** *(Whole-time Director)*
________________________	________________________
N. Naveena *(Whole-time Director)*	**J. Mallikarjunudu** *(Independent Director)*
________________________	________________________
Pramod Ranjan *(Independent Director)*	**K. Lakshmi Narayana** *(Independent Director)*
________________________	________________________
Trinath Gampa *(Independent Director)*	**T.S. Ajai** *(Independent Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER

____

Varahalu Chetty Palukuri
(Chief Financial Officer)

Place: Visakhapatnam

Date: March 5, 2018

DECLARATION

Each of the undersigned Selling Shareholders hereby certifies that all statements and undertakings made by them in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being offered by them in the Offer are true and correct, provided however, such undersigned Selling Shareholder assumes no responsibility for any statements made by the Company, any expert or any other person(s), in this Draft Red Herring Prospectus.

Signed by the Selling Shareholders

_________________________	_________________________
P. Brahmanandam	**P. Suryavathi**
_________________________	_________________________
P. Rama Devi	**N. Naveena**

Place: Visakhapatnam

Date: March 5, 2018