6TH ANNUAL REPORT 2017-2018

APEX
FROZEN FOODS LTD

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Company overview

Our Company is one of the leading producer and exporter of processed, ready-to-cook, shrimp in India.

We are a fully integrated company with presence across the value chain - Hatchery, Farming, Processing and Exporting of Shrimp; We operate 15,240 MTPA of processing capacity; 1,800 acres of farm land; breeding capacity of over 1bn SPF seeds; cold storage of 1,500 MT of finished goods.

Our products and processes comply with stringent quality standards set by the developed markets we serve - USA, UK and other European countries, We supply to a diversified customer base consisting of Food companies, Retail chains, Restaurants, Club stores and Distributors spread across our markets.

Our output majorly comprises of variants of processed White-leg shrimp (L.Vannamei) and small quantities of Black Tiger shrimp (P. Monodon) in frozen form; and are sold under the brands owned by our customers and also through our brands namely Bay Fresh, Bay Harvest and Bay Premium.

Key business

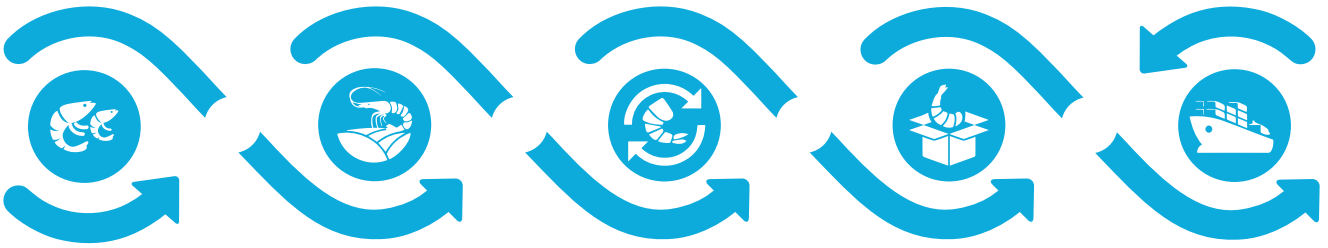
We sell variants of processed White-leg shrimp (L.Vannamei) and Black Tiger shrimp (P. Monodon) in frozen form.

Products

Ready-to-Cook

- Head On, Whole Shrimp
- Headless, Shell-on, Shrimp
- Easy Peel Shrimp
- Peeled, Deveined, Tail-on Shrimp
- Peeled Un-deveined, Tail-on Shrimp
- Peeled, Deveined, Tail-off Shrimp
- Peeled, Un-deveined Shrimp
- Peeled, Vein Peeled and Deveined Shrimp
- Butterfly Shrimp
- Skewered Shrimp

Capacities across the value chain



Hatchery

- Three operational units; combined breeding capacity of over 1bn SPF* seeds.

Farming

- 1,800 acres land.
- Forms 18-20% of total raw material requirement.

Processing

- Capacity of 15,240 MTPA of processed shrimp.
- Adding another 20,000 MTPA.

Packaging

- As per customer requirement in Retail, Food Service Cos. and Private Label brands.

Logistics

- 1,500 MT of cold storage capacity.
- Own reefer fleet for transportation of goods.

Expansion Roadmap

Setting up a new processing plant in Ragampeta, East Godavari, with a total capacity of 20,000 MTPA; including 5,000 MTPA for VAP (cooked, breaded and par fried shrimp) along with 5,000 MT of cold storage facility.

- The plant is expected to be commissioned in fiscal Year' 19.
- Meanwhile, we have enhanced our lease based capacity from 3,000 MTPA to 6,000 MTPA, effective from 1st Apr' 17.

Our journey - Key milestones

1995

Commenced business operations as a partnership firm named "Apex Exports".

2004

Set up our own processing facility at Kakinada.

Started exports to USA.

2006

Started exports to EU.

Expanded pre-processing at Kakinada for Value Added Products (VAP.)

2007-12

Received certifications from multiple agencies on processes & quality.

Awarded as a star export house by DGFT.

Converted into a Pvt. Ltd. Co. named Apex Frozen Foods Pvt. Ltd.

2013-14

Started in-house shrimp farming.

Initiated hatchery operations Enhanced processing capacity.

2015-17

Set up a pre-processing unit at Tallarevu to enhance production of Value Added Products (VAP).

Farming of shrimp in over 1,500 acres of land.

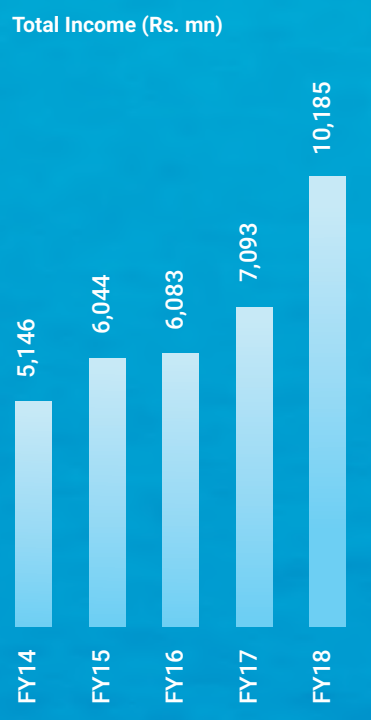
Sep'17

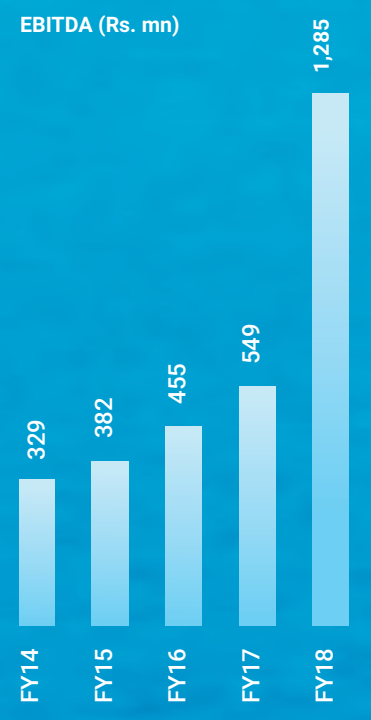
Listed on

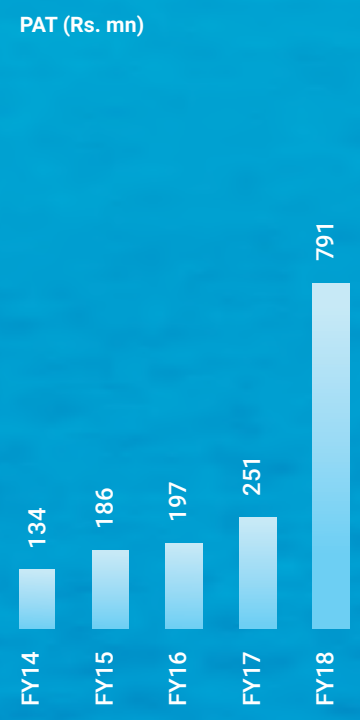
BSE EXPERIENCE THE NEW

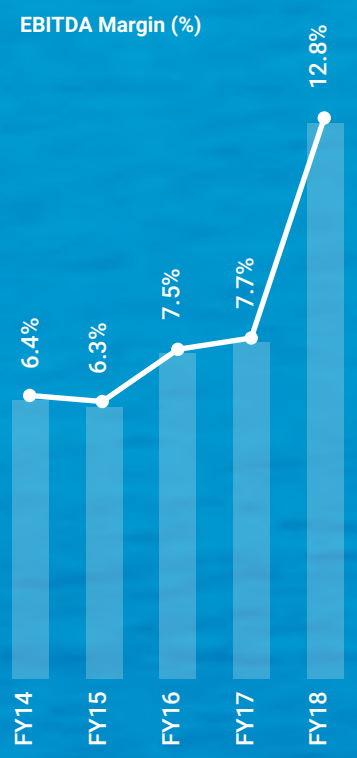
NSE

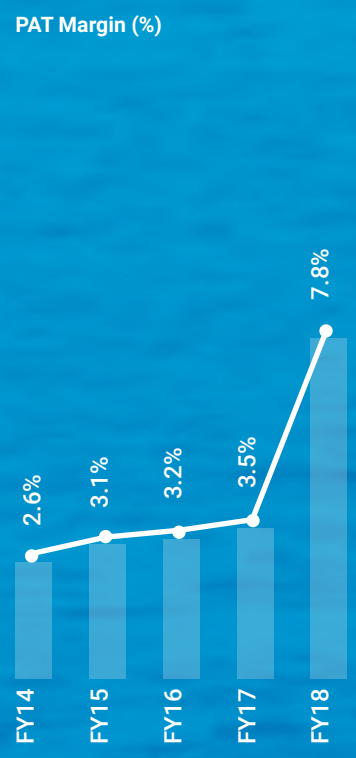
Key performance indicators



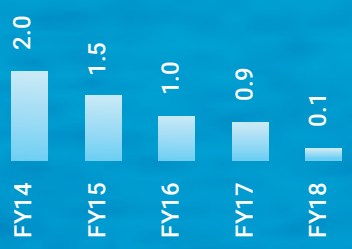




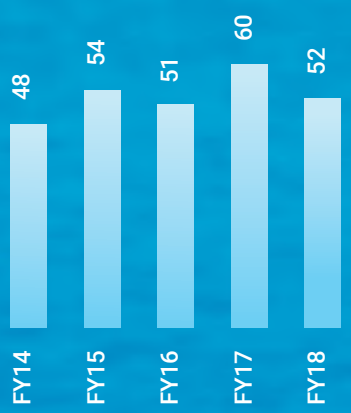




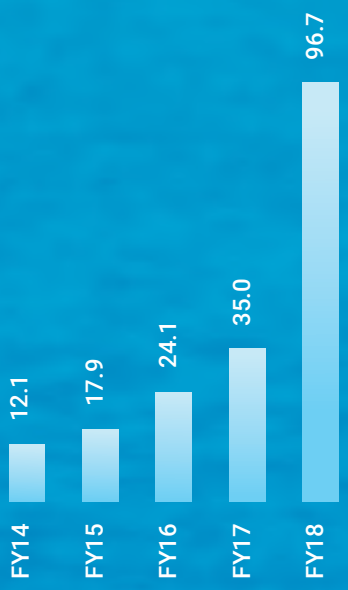
Net Debt-to-Equity (x)



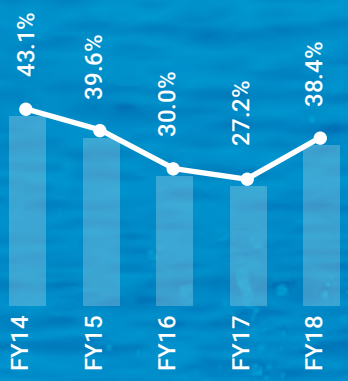
Working Capital (days)



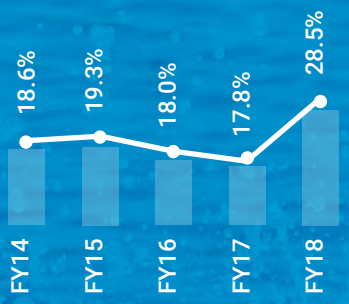
Diluted Book Value (Rs./share)



Return on Net-worth (%)



Return on Capital Employed (%)



From the Chairman's desk

Chairman and Managing Director

Dear Shareholders,

It gives me great pleasure to share with you all that the past year has been an exemplary one and I would like to dwell on all the significant events that happened.

Building an integrated business model

In the last fiscal, we focused building an Integrated Business Model with presence across the value chain as we believe that it is becoming imperative in our nature of business to have consistency in timely supply and quality produce. Further, backward integration allows flexibility in shaping production plans based on customer needs and helps in higher turnaround of business orders.

Our existing processing capacity was insufficient to cater the growing demand that we were foreseeing at the start of the fiscal FY18 and our new plant was still sometime away. We therefore decided to increase the leased based processing capacity by another 3,000 MTPA starting from April 2017. This move has immensely helped us in serving more orders from our existing as well as new customers, thereby also safe guarding our market share, especially in a high growth / demand year like the fiscal 2018.

In order to deliver higher quantities of Value Added products within the Ready-To-Cook category, we started a new pre-processing unit at Tallevaru, East Godavari, strategically situated closer to the skilled workforce. On the farming side, we added almost 600 acres of farmland to a total of almost 1,800 acres currently which formed 18-20% of our total raw shrimp requirement in FY18. Lastly, we added one new hatchery which can now cater to almost 20% of our total seed requirement - in-house and external farms.

In the current fiscal, on one hand, our focus would be to capitalize on these backward integration efforts while on the other hand, we add new capacities and products as a forward integration measure. The new plant which is expected to be operational in the current fiscal, will have an installed processing capacity of 20,000 MTPA, of which, 5,000 MTPA would be towards a new category of products called the 'Ready-To-Eat'. With this, we aim to improve our product offering to our customers as well as profitability of our business.

We are mindful of the long-term business expansion requirements and have accordingly designed the new plant site in a way that it could accommodate brownfield expansion, if needed – which means incrementally less capex per unit of capacity.

> **"We are mindful of the long term business expansion requirements and have accordingly designed the new plant site in a way that it could accommodate brownfield expansion, if needed – which means incrementally less capex per unit of capacity."**

Listing – A key milestone on our journey

Your company began a new phase in its journey when it got listed on the NSE and BSE in September 2017. We raised a total amount of Rs 152.3 crs, of which Rs 25.4 crs was through offer for sale and the balance, Rs 126.9 crs, through fresh Issue of equity share capital. The fund raising was done primarily to fund the setting up of our new processing plant at G. Ragampeta, East Godavari (which we spoke about earlier) and should be completed in the current fiscal.

The listing of the company gave us an opportunity to be associated with some of the marquee investors. The company's share holding as of June 2018 consists of 72.49% with the promoter group, 5.4% with the mutual funds, 0.53% with Foreign Portfolio Investors and the balance with the Non-Institutional Investors.

As a way of rewarding our shareholders for the trust they reposed in us and for the good year that we have had last fiscal, the board has recommended a dividend of 20% (of face value), that is, Rs 2 per equity share as compared to 10% last year.

Industry trends & outlook

The last fiscal began on an exceptionally positive note, however, towards the second half, demand for processed shrimp tapered off because of extended winters and inventory pile up in some of our key markets. However, the supply of shrimp continued due to increased production by India and on-streaming of supply from some South East Asian countries. This scenario resulted in correction in shrimp prices by as much as 15-20% y-o-y. However, the demand-supply economics seemed to have played out and currently we are witnessing a gradual pick up in both consumption and prices.

We believe the following themes could play out in the Indian Aquaculture Industry in the medium term:

- India is continuing to gain global recognition for being able to maintain its quality even as its volumes increase, which will help increase its market share.
- The Industry is likely to witness some level of consolidation at the farming level.
- Disease management is the going to be a key area for Aquaculture industry – We are already seeing farmers looking to invest in technology aimed at higher productivity and better disease management.

The road ahead

Going forward, we expect demand to remain firm and our capacities to continue to be optimally utilized. We continually strive to reduce our costs through backward integration and enhance our product offering to customers via value addition, thereby improving profitability of the business.

Our key focus areas in the current fiscal would be the following:

- Operationalise the upcoming processing plant.
- Diversify Product Mix: Focus on increasing share of Value Added products within the Ready-To-Cook category; adding the Ready-To-Eat category of products to improve revenues and profitability.
- Diversify Customers: Last fiscal we added higher business from the end-use Retail customers and aim to improve the mix further.
- Diversify Markets: Foray into newer markets like China and the Middle East while continuing business with existing markets of the USA, UK and other European nations.

Going forward, we expect demand to remain firm and our capacities to continue to be optimally utilized. We continually strive to reduce our costs through backward integration and enhance our product offering to customers via value addition, thereby improving profitability of the business.

Corporate information

Board of Directors

Mr. K. Satyanarayana Murthy	Chairman & Managing Director
Mr. K. Subrahmanya Chowdary	Executive Director
Mrs. K. Neelima Devi	Whole time Director
Mr. D. Chandra Sekhar Raju	Independent Director
Mr. D. Venkata Subba Raju	Independent Director
Mr. M. Lakshmipathi Raju	Independent Director

Registered & Corporate office

Apex Frozen Foods Limited

3-160, Panasapadu, Kakinada,
East Godavari District,
Andhra Pradesh - 533005.
Ph: 0884 - 2383902/3/4
Email: ir@apexfrozenfoods.com
Website : www.apexfrozenfoods.in
CIN: L15490AP2012PLC080067

Statutory Auditors

M/s. Boda Ramam & Co.
Chartered Accountants
2-18-24/1, Madhav Nagar,
Kakinada - 533003,
Andhra Pradesh

Company Secretary & Compliance Officer

Ms. S. Sarojini

Chief Financial Officer

Mr. Ch. Vijaya Kumar

Audit Committee

Mr. D. Venkata Subba Raju	Chairman
Mr. D. Chandra Sekhar Raju	Member
Mr. K. Subrahmanya Chowdary	Member

Nomination and Remuneration Committee

Mr. D. Chandra Sekhar Raju	Chairman
Mr. M. Lakshmipathi Raju	Member
Mr. D. Venkata Subba Raju	Member

Stakeholders' Relationship Committee

Mr. M. Lakshmi Pathi Raju	Chairman
Mrs. Karuturi Neelima Devi	Member
Mr. K. Subrahmanya Chowdary	Member

Share transfer agents

Bigshare Services Pvt. Ltd
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400059

Bankers

1. Bank of India

Kakinada Branch,
27-4-4, Jawahar Street,
Temple Street, Kakinada

2. HDFC Bank

Kakinada Branch,
11-1-7, Meenakshi Manor, Rama Rao Pet,
3rd line, Prakasam Street, Kakinada

Statutory report

Director's Report

To
The Members,

Your directors have pleasure in presenting the 6th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

Financial results

The performance of the company for the financial year ended 31st March, 2018 is summarized below:

(Rs. in lakhs)

Particulars	2017-18	2016-17*
Revenue from operations	99863.40	69869.50
Other income	1987.43	1056.52
Profit before interest, depreciation & tax	12848.62	5353.79
Interest	869.96	1122.02
Depreciation	865.24	627.17
Profit before tax	11255.33	3743.64
Current tax	4331.86	1297.81
Deferred tax	(986.58)	(66.85)
Total tax expenses	3345.28	1230.95
Net profit / (loss) for the period after tax	7910.05	2512.68
Earnings per share	28.02	10.47

*Figures stated are as per IND AS

The company has adopted Indian Accounting Standards (IND AS) w.e.f. 1st April, 2017 with a transition date of 1st April, 2016 accordingly, results for the year ended 31st March, 2018 have been prepared in accordance with Ind. AS prescribed under Section 133 of the Companies Act, 2013. Previous period figures have been restated as per Ind. AS to make them comparable.

Overview of financial performance

During the year, Your company has registered turnover of **Rs.99,863.40 Lakhs**, registering an impressive growth of **42.92 %** over the previous year turnover of **Rs.69,869.50 Lakhs.** The Profit after tax is **Rs.7,910.05 Lakhs** for the **FY 2017-18** as compared to **Rs.2,512.68 Lakhs** for the **FY 2016-17**. No material changes and commitments have occurred after the close of the financial year till the date of this report.

Revenue growth was achieved by steady growth in volumes of shrimp due to the increase in demand of value-added products from the customers, aided by enhanced pre processing capacity.

Outlook for the current year

The company is having increased orders book, confident to grow at a steady phase compared to earlier years and management is in the process of enhancing its production base to meet the orders. With the proceeds of initial public offers, company is setting up a new processing plant at G.Ragampeta, East Godavari district, with a total capacity of **20,000 MPTA,** including **5,000 MPTA** for VAP (cooked, breaded and par fried shrimp) along with **5,000 MT** of cold storage facility. Our outlook for **Fiscal 2019** continues to remain positive given India's competitive positioning as Seafood exporter. Additionally, at the company's level, the strategic initiative taken by the management will see us adding new capacities, new products like Ready-to-Eat category as well as foray into newer markets and thereby aid the growth in revenues and profitability.

Dividend

The board has recommended a dividend of Rs.2.00 per Equity Share of Rs.10.00/- each (20% of face value) for the year ended March 31, 2018. This payment is subject to your approval at the ensuing Annual General Meeting of the company.

Transfer of unclaimed dividend to investor education and protection fund

The provisions of Section 125(2) of the Companies Act, 2013, do not apply as there was no unclaimed dividend in the previous years.

Material changes and commitments

There were no material changes and commitments affecting the financial position of the company that have occurred between the end of the financial year 2017-18 of the company and the date of the report.

Transfer to reserves

During the year under review, no amount has transferred to general reserve.

Fixed deposits

Your company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

Share capital

The authorised share capital of the company as on date of balance sheet is Rs.36,00,00,000/- divided into Rs.3,60,00,000 equity shares of Rs.10/- each.

The paid up share capital of the company as on date of balance sheet is Rs.31,25,00,000/- divided into Rs.3,12,50,000 equity shares of Rs.10/- each.

(a) Initial public offering (IPO)

During the financial year 2017-18, your company entered into the securities market through Initial Public Offering (IPO). The Public Issue comprised of fresh issue of **72,50,000 equity shares** of Rs.10/- each at a premium of Rs.165/- per share aggregating to Rs.126.87 crores and offer for sale by promoters Mr. Karuturi Satyanarayana Murthy and Mrs. Karuturi Padmavathi of **725,000 equity shares** each.

Equity shares of the company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and are regularly traded on both the exchanges w.e.f. 04.09.2017.

Further the status of the utilization of the proceeds of the IPO up to 31st March 2018 and division thereon are as under:-

Particulars	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Net Proceeds from IPO (A)		**12,687.50**
Funds actually utilised up to 31st March 2018		
1. Public issue expenses	912.02	
2. Shrimp processing unit at G. Ragampeta - Land investment	747.40	
3. Shrimp processing unit at G. Ragampeta - Further capital expenditure	1,985.22	
4. Funds utilised for general corporate purpose	3,171.88	
Total (B)		6,816.51
Fund unutilised as at 31st March 2018 (C) = (A)-(B)		5,870.99

(b) Change in the capital structure of the company

During the year your company has allotted 72,50,000 equity shares of Rs.10/- each at a premium of Rs.165/- per share by way of Initial Public Offering (IPO). Therefore, the paid up share capital of the company has been increased from Rs.24.00 crores to Rs.31.25 crores.

(c) Status of shares

As the members are aware, the company's shares are compulsorily tradable in electronic form. As on March 31, 2018, 99.99% of the company's total paid up capital representing 3,12,49,990 shares are in de-materialized form.

(d) Other shares

Your company has not issued any equity shares with differential rights, sweat equity shares, employee stock options and did not purchase its own shares. Hence there is no information to be provided as required under Rule 4(4), Rule 8(13), Rule 12(9) and Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 62 of the companies Act 2013 respectively.

Details of appointment of directors and key managerial personnel (KMP):

- During the year under review, there was no change in the composition of board.
- In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. K Subrahmanya Chowdary, Executive Director of the company, will retire by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment. The board recommends his re-appointment.

Board meetings:

The board met nine (9) times during the financial year. The meeting details are provided in the corporate governance report that forms part of this annual report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the companies Act, 2013.

Committees of the board

Audit committee

The audit committee was constituted pursuant to the board meeting held on 27.01.2017. The scope and function of the audit committee is in accordance with Section 177 of the Companies Act, 2013. The members of the audit committee are:

- Mr. D. Venkata Subba Raju - Chairman
- Mr. D. Chandra Sekhar Raju - Member
- Mr. K. Subramanya Chowdary - Member

None of the recommendations made by the audit committee were rejected by the board. During the year under review, the audit committee has met 4 times.

The details of the committees of the board viz., audit committee, Nomination and remuneration committee, CSR committee and Stakeholders relationship committee are reported in the Report on corporate governance, which forms part of the Board's report.

Meeting of independent directors

The details of the separate meeting of the independent directors are reported in the report on corporate governance, which forms part of the board's report.

Statement on declaration given by independent directors under sub-section (6) of section 149

The independent directors have submitted their disclosures to the board that they fulfil all the requirements as stipulated in Section 149 of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Familiarization programme for independent directors

All new independent directors (IDs) inducted into the board are presented with an overview of the company's business operations, products, organization structures and about the board constitution and its procedures. A policy on familiarization program for IDs has also been adopted by the company. Policy for familiarisation of Independent directors with the company are available at **www.apexfrozenfoods.in.**

Going forward, we expect demand to remain firm and our capacities to continue to be optimally utilized.

Annual evaluation of board performance and performance of its committees and of directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its audit and other committees.

A structured questionnaire was prepared after taking into consideration inputs received from the directors, covering various aspects of the board's functioning such as adequacy of the composition of the board and its committees, board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the company and its minority shareholders etc. The performance evaluation of the independent directors was carried out by the entire board. The performance evaluation of the Chairman and the Non Independent directors was carried out by the Independent directors who also reviewed the performance of the Secretarial Department. The directors expressed their satisfaction with the evaluation process.

Policy on director's and key managerial personnel appointment & remuneration

Your company adopted the policy on Director's Appointment & Remuneration. The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The policy seeks to provide criteria for determining qualifications, positive attributes, and independence of a director and also recommend a policy relating to the remuneration for the directors and key managerial personnel. Policy is available at www.apexfrozenfoods.in.

Vigil mechanism / whistle blower policy

The company has a whistle blower policy framed to deal with instance of fraud and mismanagement if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the company and the web link is http://apexfrozenfoods.in/wp-content/uploads/2017/11/Apex_Whistle-Blower-Policy.pdf

Risk management policy

Risk management is embedded in your company's operating framework. Your company believes that managing risks helps in maximizing returns. The company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating risks and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

In terms of the requirement of Section 134(3)(n) of the Companies Act, 2013, the company has developed and implemented the Risk Management Policy. The details of the Policy is available on the company's weblink is **www.apexfrozenfoods.in.**

Related party transactions

There are no transactions with related parties, which falls under the scope of section 188 of the Companies Act, 2013.

The policy on Related Party Transactions as approved by the board is uploaded on the website of the company and the web link is **www.apexfrozenfoods.in.**

Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013

There were no loans, guarantees or investments made by the company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision are not applicable.

Directors responsibility statement

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them:

I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

II. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2017-18 and of the profit or loss of the company for that period;

III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

IV. The annual accounts for the year 2017-18 have been prepared on a going concern basis.

V. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

VI. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Information about subsidiary/ Joint ventures/Associate companies

Your company don't have any subsidiary or joint ventures or associate company. It is not a subsidiary or joint venture or associate to any other company.

Management discussion and analysis report

The management discussion and analysis as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is incorporated herein by reference and forms an integral part of this report as **Annexure VI.**

Extract of annual return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **'Annexure I'** to this report.

Corporate governance report

Your company's philosophy on Corporate Governance, sets the goal of achieving the highest level of transparency with integrity in all its dealings with its stakeholders including shareholders, employees, lenders and others. A report on Corporate Governance along with a certificate from M/s A.S. Ram Kumar and Associates, company secretaries regarding the compliance of conditions of Corporate Governance as stipulated under the SEBI (LODR) Listing Regulations forms part of the Annual Report as **Annexure-II**.

Auditors

a) Statutory auditors

The shareholders of the company at their Annual General Meeting held on 30th September, 2014, have appointed M/s. Boda Ramam & Co., Chartered Accountants, Kakinada, (Firm Reg No. 005383S), as Statutory Auditors of the company for a period of 5 years, subject to ratification by the members at every annual general meeting.
The board recommends their appointment for ratification at the ensuing annual general meeting.

b) Internal auditors

The board of directors at their meeting held on 14.11.2017, have reappointed M/s Praturi & Sriram, Chartered Accountants, Hyderabad, as the internal auditors of your company. The internal auditors had submitted their reports.

C) Secretarial auditors

The board has appointed M/s. A.S Ram Kumar and Associates, Company Secretaries in practice, to carry the secretarial audit under the provisions of section 204 of the Companies Act, 2013 for the financial year 2017-18. The report of the secretarial auditor is annexed to this report as **Annexure - III**.

Explanation to secretarial auditor's observation:

Extract of observation

Delay in submission of monitoring agency report along with the statement of deviation/ variation on utilization of IPO proceeds with stock exchanges for the quarter ended 30th September 2017, 31st December 2017 and 31st March, 2018 as required under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 16 of SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009.

Explanation

Submission of monitoring agency reports got delayed, due to delay in getting the reports from monitoring agency. Delay in submission of statement of Deviation/ variation on utilization of IPO proceeds was unintentional, inadvertent and without any malafide intention and we undertakes to comply in time henceforth.

Auditors report

The observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments u/s 134 of the Companies Act, 2013.

Comments on auditor report

There are no adverse comments by the auditor in the audit report and hence comments by Board of Directors of the company on auditor report are not required.

Prevention of sexual harassment policy

The company's policy on prevention of sexual harassment

of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary) are covered under this policy. The company has not received any complaint on sexual harassment during the year.

Corporate social responsibility (CSR)

The Annual Report on CSR activities in terms of the requirements of companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - IV**, which forms part of this Report.The Company has a Corporate Social Responsibility Policy and the same has been posted on the website of the company at **http://apexfrozenfoods.in/wp-content/uploads/2017/11/Apex_CSR-Policy.pdf**

Conservation of energy

I. The steps taken or impact on conservation of energy:
a. Voltage frequency drives have been installed in machinery there by 20% power saving has been done.
b. Lighting in the processing unit and cold storage have been changed to LED from tube lights.
II. The steps taken by the company for utilizing alternate sources of energy:
Solar water heaters have been installed in place of electrical heaters. Solar security fencing has been done in place of electrical fencing.
III. The capital investment on energy conservation equipments; NIL

Technology absorption: Not applicable foreign exchange earnings and outgo:

Foreign exchange earnings and outgo

(Rs. in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Earnings in Foreign Exchange	91,439.80	63,280.42
Foreign Exchange Outgo	3,669.62	2,487.86

Particulars of employees

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the company has been disclosed in **'Annexure V'.**

Internal control systems & their adequacy

The board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Maintenance of cost records

The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the business activities carried on by the company.

Significant and material orders passed by the regulators or courts

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

Human resources

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. Your company appreciates the spirit of its dedicated employees.

Acknowledgements

Your directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

For and by order of the Board of Directors

Sd/-
K Subrahmanya Chowdary
Whole Time Director
DIN 03619259

Sd/-
K Satyanarayana Murthy
Managing Director
DIN 05107525

Place: Panasapadu, Kakinada
Date: 13.08.2018

Annexure - I

Form No. MGT-9
Extract of Annual Return
M/s. Apex Frozen Foods Limited

As on the financial year ended on 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and details		
i)	CIN	L15490AP2012PLC080067
ii)	Registration date	30/03/2012
iii)	Name of the company	APEX FROZEN FOODS LIMITED
iv)	Category / Sub-Category of the company	Limited by shares, Indian Non Government Company
v)	Address of the registered office and contact details	3-160, Panasapadu, Kakinada, East Godavari - 533005, Andhra Pradesh. Phone: 0884 - 2383902/3/4, Email: irfo@apexfrozenfoods.com Website: www.apexfrozenfoods.in
vi)	Whether listed company	Yes, listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd(NSE)
vii)	Name, Address and contact details of registrar and transfer agent, if any	Bigshare Services Private Limited Main Branch:1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059 Tel: +91 22- 6263 8200 Hyderabad Branch: 306,Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad - 500082 Ph: 040 40144582

II. Principal business activities of the company

All the business activities contributing 10 % or more of the total turnover of the company or as follows:

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company
1.	Processing and preserving of fish, crustaceans and molluscs and products there-of	1020	100%

III. Particulars of holding subsidary and associate companies					
Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidary/ Associate	% of shares held	Applicable Section
			NIL		

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

(i) Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	*% of Total Shares	Demat	Physical	Total	**% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,39,76,000	2,39,76,000	99.90	2,26,54,232	-	2,26,54,232	72.49	-5.51
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	-	2,39,76,000	2,39,76,000	99.90	2,26,54,232	-	2,26,54,232	72.49	-5.51
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub total (A) (2)	-	-	-	-	-	-	-	-	-
Total (a)	-	2,39,76,000	2,39,76,000	99.90	2,26,54,232	-	2,26,54,232	72.49	-5.51
B. Public share holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	16,62,820	-	16,62,820	5.32	5.32
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	*% of Total Shares	Demat	Physical	Total	**% of Total Shares	
g) FIIs	-	-	-	-	1,39,810	-	1,39,810	0.45	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	18,02,630	-	18,02,630	5.77	-
2. Non-institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	42,38,369	10	42,38,379	13.56	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		24,000	24,000	0.10	6,64,905	-	6,64,905	2.13	2670.44
c) Others	-	-	-	-	-	-	-	-	-
Bodies corporate	-	-	-	-	14,46,790	-	14,46,790	4.63	-
Clearing member	-	-	-	-	2,99,435	-	2,99,435	0.96	-
Non Resident Indians (NRI)	-	-	-	-	1,28,009	-	1,28,009	0.41	-
Trusts	-	-	-	-	15,620	-	15,620	0.05	-
Sub-total (B)(2):-	-	24,000	24,000	0.10	67,93,128	10	67,93,138	21.74	28204.74
Total Public (B)	-	24,000	24,000	0.10	85,95,758	10	85,95,768	27.51	35715.70
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2,40,00,000	2,40,00,000	100.00	3,12,49,990	10	3,12,50,000	100.00	30.21

*Paidup share capital of the company as on 01.04.2017 is 24,00,00,000 divided into 2,40,00,000 equity shares of Rs.10/- each.
**Paidup share capital of the company as on 31.03.2018 is 31,25,00,000 divided into 3,12,50,000 equity shares of Rs.10/- each.

ii) Share holding of promoters / Promoters Group

Sl. No.	Shareholder's name	Share holding at the beginning of the year*			Share holding at the end of the year**			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Karuturi Satyanarayana Murthy	96,00,000	40.00	-	89,18,779	28.54	-	(7.10)
2	Karuturi Subrahmanya Chowdary	96,00,000	40.00	-	96,04,000	30.73	-	0.04
3	Karuturi Padmavathi	47,04,000	19.60	-	40,54,853	12.98	-	(13.80)
4	S. Anitha Devi	24,000	0.10	-	24,000	0.08	-	-
5	Karuturi Neelima Devi	24,000	0.10	-	24,000	0.08	-	-
6	V. Hanumantha Rao	24,000	0.10	-	28,600	0.09	-	19.17

*Paidup share capital of the company as on 01.04.2017 is 24,00,00,000 divided into 2,40,00,000 equity shares of Rs.10/- each.
**Paidup share capital of the company as on 31.03.2018 is 31,25,00,000 divided into 3,12,50,000 equity shares of Rs.10/- each.

(iii) Change in promoters / Promoters group share holding

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Karuturi Satyanarayana Murthy**				
	At the beginning of the year*	96,00,000	40.00	96,00,000	40.00
	Sold during the year	7,25,000	2.32	88,75,000	28.40
	Brought during the year	43,779	0.14	89,18,779	28.54
	At the end of the year**			89,18,779	28.54
2	**Karuturi Subrahmanya Chowdary**				
	At the beginning of the year*	96,00,000	40.00	96,00,000	40.00
	Brought during the year	4,000	0.01	96,04,000	30.73
	At the end of the year**			96,04,000	30.73
3	**Karuturi Padmavathi**				
	At the beginning of the year*	47,04,000	19.60	47,04,000	19.60
	Sold during the year	7,25,000	2.32	39,79,000	12.73
	Brought during the year	75,853	0.24	40,54,853	12.98
	At the end of the year**			40,54,853	12.98
4	**S. Anitha Devi**				
	At the beginning of the year*	24,000	0.10	24,000	0.10
	There was no change in the share holding				
	At the end of the year**	24,000	0.08	24,000	0.08
5	**Karuturi Neelima Devi**				
	At the beginning of the year*	24,000	0.10	24,000	0.10
	There was no change in the share holding				
	At the end of the year**			24,000	0.08
6	**V. Hanumantha Rao**				
	At the beginning of the year*	24,000	0.10	24,000	0.10
	Brought during the year	4,600	0.01	28,600	0.09
	At the end of the year**			28,600	0.09

*Paidup share capital of the company as on 01.04.2017 is 24,00,00,000 divided into 2,40,00,000 equity shares of Rs.10/- each.
**Paidup share capital of the company as on 31.03.2018 is 31,25,00,000 divided into 3,12,50,000 equity shares of Rs.10/- each.

iv) Share holding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Reliance Capital Trustee Co. Ltd- A/C Reliance Small Cap Fund**				
	At the beginning of the year				
	Brought during the year	-	-	-	-
	Sold during the year	20,94,874	6.70	20,94,874	6.70
	At the end of the year	7,32,370	2.34	13,62,504	4.36
				13,62,504	4.36
2	**Dinero Wealth Private Limited**				
	At the beginning of the year	-	-	-	-
	Brought during the year	5,15,440	1.65	5,15,440	1.65
	Sold during the year	5,701	0.02	5,09,739	1.63
	At the end of the year			5,09,739	1.63
3	**HSBC India Opportunities Fund**				
	At the beginning of the year				
	Brought during the year	-	-	-	-
	Sold during the year	5,09,802	1.63	5,09,802	1.63
	At the end of the year	2,09,486	0.67	3,00,316	0.96
				3,00,316	0.96
4	**Epcot Trading LLP**				
	At the beginning of the year	-	-	-	-
	Brought during the year	2,43,965	0.78	2,43,965	0.78
	Sold during the year	32,410	0.10	2,11,555	0.68
	At the end of the year			2,11,555	0.68
5	**Samraj Naidu**				
	At the beginning of the year	-	-	-	-
	Brought during the year	17,05,25	0.54	17,05,25	0.54
	Sold during the year	4,524	0.01	16,60,01	0.53
	At the end of the year	-	-	16,60,01	0.53
6	**Ravi Kanth Sankuratri**				
	At the beginning of the year	24,000	0.02	24,000	0.08
	Brought during the year	1,40,455	0.45	1,64,455	0.53
	Sold during the year	7,168	0.15	1,57,287	0.50
	At the end of the year			1,57,287	0.50
7	**Karvy Stock Broking Limited- Client Account-BSE CM**				
	At the beginning of the year	-	-	-	-
	Brought during the year	1,80,110	0.65	1,80,110	0.58
	Sold during the year	47,770	0.25	1,32,340	0.42
	At the end of the year			1,32,340	0.42

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	**Tantallon India Fund**				
	At the beginning of the year	-	-	-	-
	Brought during the year	2,04,603	0.65	2,04,603	0.65
	Sold during the year	79,603	0.25	1,25,000	0.40
	At the end of the year			1,25,000	0.40
9	**Venkateswara Rao Vakalapudi**				
	At the beginning of the year	-	-	-	-
	Brought during the year	99,246	0.32	99,246	0.32
	Sold during the year	5,421	0.02	93,825	0.30
	At the end of the year			93,825	0.30
10	**Angel Broking Private Limited**				
	At the beginning of the year	-	-	-	-
	Brought during the year	2,31,766	0.74	2,31,766	0.74
	Sold during the year	1,52,304	0.49	79,462	0.25
	At the end of the year			79,462	0.25

(v) Share holding of directors and key managerial personnel

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Karuturi Satyanarayana Murthy**				
	At the beginning of the year*	96,00,000	40.00	96,00,000	40.00
	Sold during the year	7,25,000	2.32	88,75,000	28.4
	Brought during the year	43,779	0.14	89,18,779	28.54
	At the end of the year**			89,18,779	28.54
2	**Karuturi Subrahmanya Chowdary**				
	At the beginning of the year*	96,00,000	40.00	96,00,000	40.00
	Brought during the year	4,000	0.01	96,04,000	30.73
	At the end of the year**			96,04,000	30.73

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Karuturi Neelima Devi**				
	At the beginning of the year*	24,000	0.10	24,000	0.10
	There was no change in the share holding				
	At the end of the year**			24,000	0.08
4	**Chandrasekhar Raju Datla**				
	At the beginning of the year*	0	0.00	0	0.00
	There was no change in the share holding				
	At the end of the year**			0	0.00
5	**Venkata Subba Raju Datla**				
	At the beginning of the year*	0	0.00	0	0.00
	There was no change in the share holding				
	At the end of the year**			0	0.00
6	**Lakshmipathi Raju Mantena**				
	At the beginning of the year*	0	0.00	0	0.00
	Brought during the year	4,505	0.01	4,505	0.01
	Sold during the year	1,155	0.00	3,350	0.01
	At the end of the year**			3,350	0.01
7	**Ch Vijaya Kumar**				
	At the beginning of the year*	0	0.00	0	0.00
	Brought during the year	2,800	0.01	2800	0.01
	Sold during the year	2560	0.01	240	0.00
	At the end of the year**			240	0.00
8	**S.Sarojiini**				
	At the beginning of the year*	0	0.00	0	0.00
	Brought during the year	2,800	0.01	2800	0.01
	Sold during the year	2,800	0.01	0	0.00
	At the end of the year**			0	0.00

*Paidup share capital of the company as on 01.04.2017 is 24,00,00,000 divided into 2,40,00,000 equity shares of Rs.10/- each.
**Paidup share capital of the company as on 31.03.2018 is 31,25,00,000 divided into 3,12,50,000 equity shares of Rs.10/- each.

V. Indebtedness

(Indebtedness of the company including Interest outstanding/accrued but not due for payment)

(Rs. in Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	10,673.48	340.00	-	11,013.48
ii) Interest due but not paid	71.61	-	-	71.61
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,745.09	340.00	-	11,085.09
Change in Indebtedness during the financial year				
*Addition	138,850.29	-	-	138,850.29
*Reduction	136,423.35	114.87	-	136,538.22
Net change	2,426.94	114.87	-	2,541.81
Indebtedness at the end of the financial year				
i) Principal amount	8,318.15	225.13	-	8,543.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,318.15	225.13	-	8,543.28

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sl. No.	Particulars of remuneration	K Subrahmanya Chowdary Whole Time Director	K Satyanarayana Murthy Managing Director	K Neelima Devi Whole Time Director	Total
1	Gross salary (a) Salary as per provisions contained (b) Value of perquisites u/s17(2) (c) Profits in lieu of salary under	 168.00 - -	 168.00 - -	 125.00 - -	 461.00 - -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	168.00	168.00	125.00	461.00
	Ceiling as per the Act*				

* Fixed remuneration as per Part II of Schedule V of the Companies Act 2013.

B. Remuneration to other directors:

(Rs. in Lakhs)

Sl. No.	Particulars of remuneration	D Chandrasekhar Raju	D V Subba Raju	M Lakshmipathi Raju	Total Amount Rs.
1	**Independent Directors**				
	Fee for attending board committee meetings	0.70	1.20	0.85	2.75
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	0.70	1.20	0.85	2.75
2	**Other Non-Executive Directors**				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	0.70	1.20	0.85	2.75
	Total Managerial Remuneration(A+B)				463.75
	Overall Ceiling as per the Act*				

* Fixed remuneration as per Part II of Schedule V of the Companies Act 2013.

C. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sl. No.	Particulars of remuneration	Particulars of remuneration		
		CS (S.Sarojiini)	CFO (Ch. Vijaya Kumar)	Total
1.	Gross Salary	1.90	8.00	9.90
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission as % of profit	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	TOTAL	1.90	8.00	9.90

vii. Penalties /Punishment/ Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other officers in default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and by order of the Board of Directors.

Sd/-
K Subrahmanya Chowdary
Whole Time Director
DIN 03619259

Sd/-
K Satyanarayana Murthy
Managing Director
DIN 05107525

Place: Panasapadu, Kakinada
Date: 13.08.2018

Annexure –II

Report on Corporate Governance

1. Company's philosophy on Code of Governance

The philosophy of the company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the extant laws and regulations. Your company continuously endeavors to review, strengthen and upgrade its systems and processes so as to provide timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance and firmly believes that business is built on ethical values and principles of transparency.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

2.Board of Directors

Size of the Board

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2018, board of the company consisted of six (6) Members. The company has Three (3) Promoter Executive Directors, one of whom is the Chairman & Managing director, one of whom is an Women Director and three Independent Non Executive Directors.

i. Composition and category of directors

Name of the Directors	Category	Designation	No. of shares held in the Company (%)
Mr. K. Satyanarayana Murthy	Chairman & Managing Director -Promoter	Managing Director	8918779 (28.54%)
Mr. K .Subrahmanya Chowdary	Executive Director-Promoter	Whole time Director	9604000 (30.73%)
Mrs. K. Neelima Devi	Whole time Director-Promoter-Women Director	Whole time Director	24000 (0.08%)
Mr. D. Chandra Sekhar Raju	Non Executive Independent Director	Director	0 (0.00%)
Mr. D. Venkata Subba Raju	Non Executive Independent Director	Director	0 (0.00%)
Mr. M. Lakshmipathi Raju	Non Executive Independent Director	Director	3350 (0.01)

ii. No. of directorships or committees in which director is a member or chairperson

Sl. No.	Name of the Director	*No. of other Companies in which he/she is Director	**No. of Committees Chairpersonship / Membership (including this company)	
			Member	Chairperson
1	Mr. K. Satyanarayana Murthy	2	0	0
2	Mr. K. Subrahmanya Chowdary	2	2	0
3	Mrs. K. Neelima Devi	1	1	0
4	Mr. D. Chandra Sekhar Raju	1	1	0
5	Mr. D. Venkata Subba Raju	1	0	1
6	Mr. M. Lakshmipathi Raju	1	0	1

*Directorship in public and private companies includes Section 8 Companies but excluding foreign companies.
*Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited.

iii. Attendance of Directors at the board meetings held during FY 2017-2018 and Annual General Meetings held during the year 2017-18

During the Financial Year 2017-2018 the board met on Nine (9) times i.e. 25.04.2017, 16.05.2017, 05.06.2017, 28.07.2017, 07.08.2017, 28.08.2017, 31.08.2017, 14.11.2017 and 04.02.2017. The gap between any two meetings is not more than 120 days.

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Mr. K. Satyanarayana Murthy	Chairman & Managing Director Promoter	9	9	yes
Mr. K .Subrahmanya Chowdary	Executive Director- Promoter	9	8	yes
Mrs. K. Neelima Devi	Whole time director-Promoter-Women Director	9	8	yes
Mr. D. Chandra Sekhar Raju	Non Executive Independent Director	9	6	yes
Mr. D. Venkata Subba Raju	Non Executive Independent Director	9	9	yes
Mr. M. Lakshmipathi Raju	Non Executive Independent Director	9	8	yes

iv. Relationship among directors

- K Satyanarayana Murthy: K. S. Chowdary – Son, K. Neelima devi - Daughter-in-law
- K Subrahmanya Chowdary: K .S. Murthy – Father, K. Neelima devi - Wife
- K Neelima Devi: K .S. Chowdary – Husband, K. S. Murthy - Father-in-law

V. Code of conduct

The board of directors has laid down a code of conduct for all board members and all employees in management grade of the company. The code of conduct is posted on the website of the company at www.apexfrozenfoods.in. A declaration to this effect signed by the Managing Director in terms of the Listing Regulations is attached and forms part of the Annual Report of the company.

Independent directors

Mr.D.Chandra Sekhar Raju, Mr.D Venkata Subba Raju and Mr.M Lakshmipathi Raju are Non executive Independent Directors of the company.

Independent Directors, have furnished a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

i. Details of familiarisation programmes imparted to independent directors

The company familiarizes its Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, etc., through various programmes. These include orientation programme upon induction of new director, as well as other initiatives to update the directors on an ongoing basis. The policy for familiarization programme for independent directors is disclosed on the company's website at www.apexfrozenfoods.in.

ii. Meeting of independent directors meeting

In compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the company was held on 09.02.2018. Independent Directors Meeting considered the performance of Non-Independent Directors and board as whole, reviewed the performance of Chairman of the company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the company management and the board.

Attendance of Independent Directors in Independent Directors Meeting

Name of the Director	No. of meetings held	No. of meetings attended
Mr. D. Chandra Sekhar Raju	1	1
Mr. D. Venkata Subba Raju	1	1
Mr. M. Lakshmipathi Raju	1	1

3. Committees of the board

Currently, there are four Board Committees - The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of the Board Committees are determined by the Board from time to time, The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

(i). Audit committee

In compliance with the requirements of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has constituted an Audit Committee on 27.01.2017.

The brief terms of reference of the Audit Committee includes the following:

• Overseeing the company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.

• Recommending to the board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the company and the fixation of audit fee and other payments, Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process.

• Reviewing, with the management, quarterly, half-yearly, annual financial statements and auditor's report thereon before submission to the board for approval.

• Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), and monitoring the use/application of the funds raised through the Issue by the company.

• Approval or any subsequent modifications of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed.

• Reviewing and monitoring the statutory and internal auditors performance, effectiveness of statutory and internal audit procedures and evaluating of internal financial controls, risk management systems, and adequacy of the internal control systems.

• Scrutinizing of inter-corporate loans and investments and Valuing of undertakings or assets of the company, wherever it is necessary.

• Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.

• Discussing with internal auditors on any significant findings and follow up there on.

• 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.

• Discussing 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.

Powers of the Audit Committee shall include the following:

• To investigate any activity within its terms of reference.

• To seek information from any employee.

• To obtain outside legal or other professional advice; and

• To secure attendance of outsiders with relevant expertise, if it considers necessary."

Audit committee shall mandatorily review the following information:

• Management's discussion and analysis of financial condition and results of operations.

• Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.

• Management letters / letters of internal control weaknesses issued by the statutory auditors.

• Internal audit reports relating to internal control weaknesses.

• The appointment, removal and terms of remuneration of the chief internal auditor.

• Statement of deviations.

Composition Audit Committee and attendance of members at the meetings of the Audit Committees held during 2017-2018

Sl. No.	Name of the Member	Category	Designation	Meetings held during the tenure of the Directors	Meetings attended
1	Mr. D. Venkata Subba Raju	Non Executive Independent Director	Chairman	4	4
2	Mr. D. Chandra Sekhar Raju	Non Executive Independent Director	Member	4	2
3	Mr. Karuturi Subramanya Chowdary	Executive Director	Member	4	4

The Audit Committee of the Company has met Four (4) times during the year i.e., on 05.06.2017, 28.07.2017, 14.11.2017 and 08.02.2018.

(ii). Nomination and remuneration committee

In compliance with the requirements of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee on 27.01.2017.

Terms of reference of the nomination and remuneration committee shall includes the following:

• Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board a policy, relating to the remuneration of the directors, key managerial personnel and other employees:
(i) The level and composition of remuneration is reasonable and sufficient to attract,retain and motivate directors of the quality required to run the company successfully.
(ii) Relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
(iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

• Formulating of criteria for evaluation of the independent directors and the Board and Devising a policy on Board diversity.
• Identifying persons, who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance.
• 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.
• Analyzing, monitoring and reviewing various human resource and compensation matters.
• Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.
• Determining 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.
• Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
• 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.

Composition of the committee

Sl. No.	Name of the Member	Category	Designation
1	Mr. D. Chandra Sekhar Raju	Non Executive Independent Director	Chairman
2	Mr. D. Venkata Subba Raju	Non Executive Independent Director	Member
3	Mr. M. Lakshmipathi Raju	Non Executive Independent Director	Member

The Nomination and Remuneration Committee has not met during the year.

(iii) Corporate social responsibility committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors at its meeting held on 01.08.2014 and reconstituted on 27.01.2017. The terms of reference of the Corporate Social Responsibility Committee of our Company shall includes the following:

• Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013.
• Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company.
• Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time.

Composition and attendance of members at the meetings of the audit CSR committee held during 2017-2018					
Sl. No.	**Name of the Member**	**Category**	**Designation**	**Meetings held during the tenure of the Directors**	**Meetings attended**
1	Karuturi Neelima Devi	Whole-Time Director-Promoter-Women Director	Chairman	2	2
2	Karuturi Satyanarayana Murthy	Chairman and Managing Director- Promoter	Member	2	2
3	Datla Venkata Subba Raju	Non-Executive Independent Director	Member	2	2

The Corporate Social Responsibility Committee of the company has met twice during the year i.e., on 14.11.2017 and 08.02.2018.

(iv) Stakeholders relationship committee

The Stakeholders' Relationship Committee was constituted at board meeting held on held on March 08, 2017.
The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013, which includes:

- Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, annual reports of the Company or any other documents or information to be sent by the Company to its shareholders etc.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time.
- Oversee the performance of the registrars and transfer agents of the company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and other related matters as may be assigned by the Board of Directors.

Composition stakeholders relationship committee			
Sl. No.	**Name of the Member**	**Category**	**Designation**
1	Mr. M. Lakshmipathi Raju	Non Executive Independent Director	Chairman
2	Mrs. Karuturi Neelima Devi	Whole time Director	Member
3	Mr. K. Subrahmanya Chowdary	Executive Director	Member

Details of shareholders requests/complaints received and resolved during FY 2017-18 are as under	
No. of requests/complaints received	3
No. of requests/complaints resolved	3
No. of requests/complaints not solved to the satisfaction of the shareholders	0
No. of pending requests/complaints	0

Name of non-executive director heading the committee: **Mr.M Lakshmipathi Raju**
Name and designation of compliance officer: **Ms. S.Sarojini, Company Secretary & Compliance officer**

4. Remuneration of Directors

Policy on director's and key managerial personnel appointment & remuneration:

Your company adopted a policy relating to the remuneration for the directors (for both executive & non-executive) and key managerial personnel, which forms part of Policy on Director's and Key Managerial Personnel Appointment & Remuneration and same is available at the company website **www.apexfrozenfoods.in**

Non-executive Directors' compensation & disclosures:

The Non-executive Directors are entitled for (i) a sitting fee of Rs. 10,000/- per meeting of the Board of Directors attended and for committee meetings Rs. 5,000/- per meeting attended and (ii) Reimbursement of travel and hotel accommodation and other expenses incurred by them, for attending Board/Committee Meetings. Pursuant to Reg.34(3) and Sch.V of the SEBI(LODR) Regulations, 2015, the details of the remuneration paid to all directors and Key managerial are indicated in the Extract of MGT-9 enclosed to the Board's Report.

Details of remuneration paid to directors during 2017-18

Sl. No.	Name of the Director	Category	All elements of remuneration package i.e., salary benefits, pension, commission on profits, etc.	Fixed component and performance-linked incentives along with the performance criteria	Service contracts, notice period, severance fees	Stock option details	Sitting Fee	Total
1	Mr. K Satyanarayana Murthy	Chairman & Managing Director	168.00	0.00	0.00	0.00	0.00	168.00
2	Mr.K Subrahmanya Chowdary	Executive Director	168.00	0.00	0.00	0.00	0.00	168.00
3	Mrs.K Neelima Devi	Whole time Director	125.00	0.00	0.00	0.00	0.00	125.00
4	Mr.D Chandra Sekhar Raju	Non Executive Independent Director	0.00	0.00	0.00	0.00	0.70	0.70
5	Mr.D Venkata Subba Raju	Non Executive Independent Director	0.00	0.00	0.00	0.00	1.20	1.20
6	Mr.M Lakshmipathi Raju	Non Executive Independent Director	0.00	0.00	0.00	0.00	0.85	0.85

Performance evaluation criteria for directors

The Nomination and Remuneration Committee at its meeting held on 08.03.2017 decided to implement an internal assessment method of evaluation and formulated criteria for evaluation of Directors, Committees and Board taking into account the criteria indicated by the SEBI in its Guidance Note circulated on 05.01.2017.

Performance evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the workings of its board committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the board's functioning such as adequacy of the composition of the board and its committees, board culture, obligations and governance.

A meeting of the Independent Directors was held on 09.02.2018, which reviewed the performance of Non-Independent Directors, Chairman and the quality of the information and follow up action is being taken on suggestions made therein.

5. General body meetings

• **Location and time of last three AGM's held**

Year	Location	Date	Time
2014 -15	At the Registered Office at 3-160, Panasapadu, Kakinada - 533005, East Godavari District, Andhra Pradesh	30.09.2015	at 10:00 A.M
2015 -16		30.09.2016	at 11:00 A.M
2016 -17		11.08.2017	at 11:00 A.M

• Special Resolutions passed in previous Three Annual General Meetings: Nil
• Details of Postal Ballot Resolutions passed during the year 2017-18: Nil
• Procedure for Postal Ballot – Not applicable.
• Whether any special resolution is proposed to be conducted through postal ballot: No

6. Means of communication

Sl. No.	Description	Remarks
1	Quarterly results	The quarterly and half-yearly unaudited/audited financial results are informed to Bombay Stock Exchange and National Stock Exchange as prescribed under SEBI (LODR) Regulations and posted at company's website.
2	Newspapers wherein results are normally published	Andhra Bhoomi & Business Standard
3	Website	www.apexfrozenfoods.in
4	Whether it also displays official news releases	Yes
5	Presentations made to institutional investors or to analysts	Yes

7. General shareholders' information

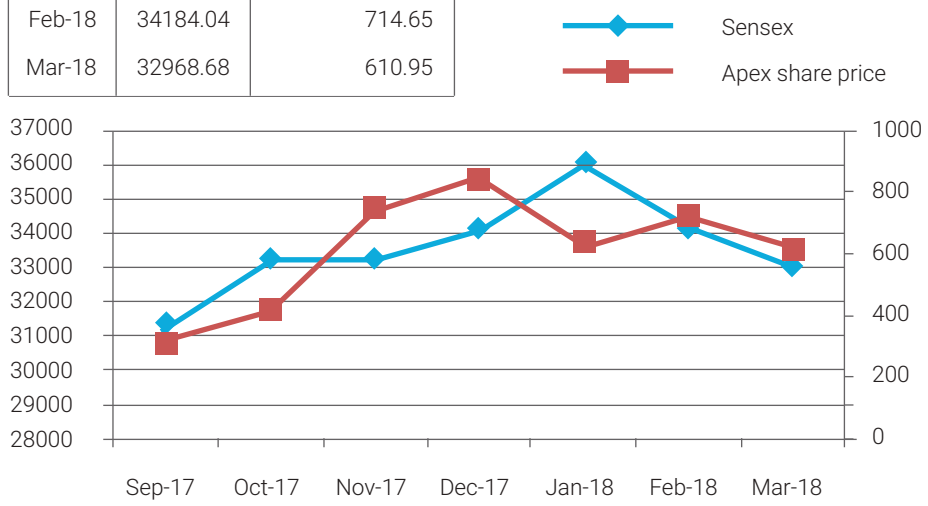
Sl. No.	Description	Details
i.	Date, Time and Venue of AGM	Date: Saturday, 22nd September 2018 Time: 10.30 AM Venue: Grand Kakinada by GRT Hotels, D.No: 11-3-11, Veterinary Hospital road, Ramaraopeta, Kakinada -533004, Andhra Pradesh
ii.	Financial Year	1st April, 2018 to 31st March, 2019
iii.	Dividend payment date	Board of Directors has recommended a dividend of Rs. 2.00/- Per Equity share of Rs. 10/- each fully paid for the financial year 2017-18. On approval of the shareholders, the dividend will paid on or before 21st October 2018.
iv.	Dates of book closure	Monday, 17th September 2018 to Friday 21st September 2018
v.	Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges.	The company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchanges. The addresses of these Exchanges is as under: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. 2. National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. The company has duly paid the listing fees for the year 2018-19 to BSE Limited and National Stock Exchange where the shares of the company are listed.
vi.	Stock Code	BSE : 540692 NSE : APEX
vii.	**Market price data: High / Low / Close during each month in the last financial year**	

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
September - 2017	355	195	310.25	343.3	202	311.7
October - 2017	484.45	305.5	416.15	484.4	305.1	417.85
November - 2017	740.7	405	740.7	742.2	413.7	742.2
December - 2017	941.4	696.5	838.85	936.85	779.3	838
January - 2018	854	612.3	632.2	838.85	614.35	625
February - 2018	810.55	632.55	714.65	809.9	633.6	721.05
March - 2018	735	602.15	610.95	734.95	599	611

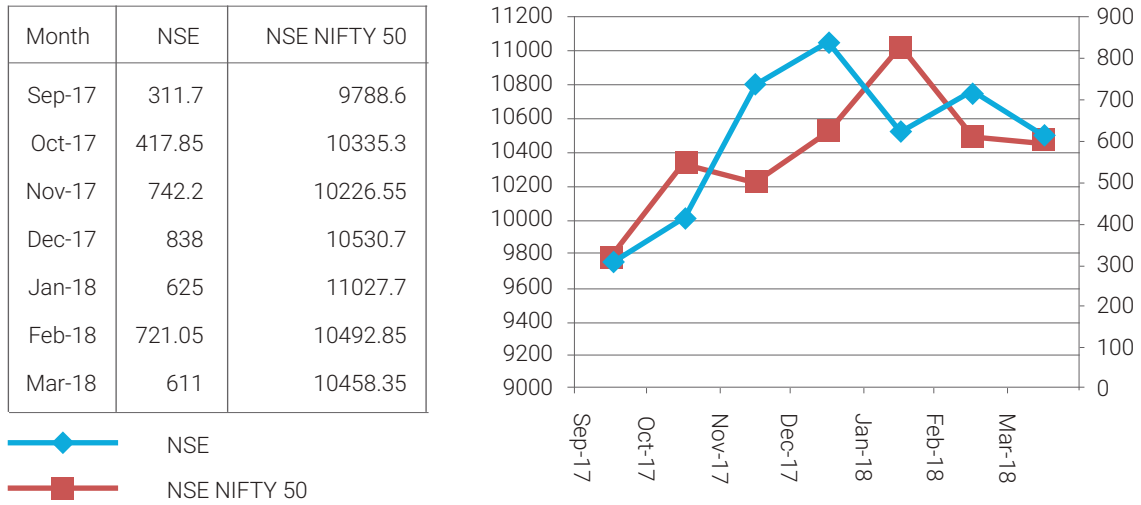
viii.

Relative performance of Apex Frozen Foods Limited share price V/S. BSE Sensex

Month	Sensex	Apex share price
Sep-17	31283.72	310.25
Oct-17	33213.13	416.15
Nov-17	33149.35	740.7
Dec-17	34056.83	838.85
Jan-18	35965.02	632.2
Feb-18	34184.04	714.65
Mar-18	32968.68	610.95



Month	NSE	NSE NIFTY 50
Sep-17	311.7	9788.6
Oct-17	417.85	10335.3
Nov-17	742.2	10226.55
Dec-17	838	10530.7
Jan-18	625	11027.7
Feb-18	721.05	10492.85
Mar-18	611	10458.35



Sl. No.	Description	Details
ix.	Registrar to an issue and share transfer agents	Bigshare Services Private Limited Head office:1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059. Tel: +91 22 - 6263 8200 Hyderabad Branch: 306,Right Wing, 3rd Floor, Amrutha Ville, Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad - 500082. Tel: 040 40144582
x.	Share Transfer System	All transfers received are electronically processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers. The summary of transfers, trans-missions etc., are placed before every Board Meeting and Stakeholders Relationship Committee Meeting.

xi. Distribution of share holding:

Share holding of nominal value (Rs.- Rs.)	No. of Shareholders	% of Shareholders	Share amount (Rs.)	% of total
01-5000	36672	96.20	24006460	7.68
5001-10000	742	1.94	5605590	1.79
10001-20000	368	0.96	5298530	1.69
20001-30000	122	0.32	3071660	0.98
30001-40000	48	0.12	1695970	0.54
40001-50000	34	0.08	1615340	0.51
50001-100000	75	0.19	5614340	1.79
100001-and above	59	0.15	265592110	84.98

xii. Dematerialization of shares and liquidity as on 31.03.2018:

Sl. No.	Description	No. of Shareholders	No. of shares	% of Equity
1	Shares in Demat mode with NSDL	20411	2,89,10,517	92.51 %
2	Shares in Demat mode with CDSL	17708	23,39,473	7.49 %
3	Shares in Physical mode	1	10	0.00 %
	Total	38120	3,12,50,000	100.00 %

The company's shares are regularly traded on BSE and NSE.

Sl. No.	Description	Details
xiii.	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:	Nil
xiv.	Commodity Price Risk or Foreign Exchange Risk and hedging activities	Nil
xv.	Plant locations	Owned Processing 1. Apex Frozen Foods Limited #3-160, Panasapadu, Kakinada East Godavari District, A.P. - 533005 Owned Pre-Processing 2. Apex Frozen Foods Limited # 389/1,Korangi village, Tallarevu (Mandal) East Godavari District, A.P. - 533461
xvi.	Address for correspondence	Registered Office 3-160, Panasapadu, Kakinada, East Godavari District, Andhra Pradesh - 533005

8. Other disclosures

i. Disclosure on materially significant related party transactions

There are no materially significant related party transactions of the company which have potential conflict with the interest of the company at large. Your company has formulated a policy on materiality of related party transactions and also dealing with related party transaction same is available at the company website **www.apexfrozenfoods.in**

ii. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed by stock exchange(s) or the board or any statutory authority on any matter related to capital markets during last 3 years

iii. Whistle blower policy and affirmation that no personnel have been denied access to the audit committee

The company has in place a Whistle Blower Policy for Vigil mechanism for directors and employees to report to the management about the unethical behaviour, fraud, violation of Company's Code of Conduct. None of the personnel have been denied access to the Audit Committee.

iv. Disclosure regarding compliances made with mandatory requirements and adoption of non-mandatory requirements

- All mandatory Requirements were complied with for the year ending 31.03.2018.
- The company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the following:
- Audit Qualification – The financial statements of the company are unqualified.
- Reporting of internal auditor directly to the audit committee.

v. CEO/CFO certification

In terms of Part-B of Schedule – II read with Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the certificate duly signed by the Managing Director and CFO of the company was placed before the Board of Directors along with the financial statements for the year ended 31.03.2018, at its meeting held on 28.05.2018 and forms part of this Annual Report.

vi. Policy on material subsidiaries

Your company does not have any Subsidiaries; hence it has not adopted any policy on material subsidiaries.

vii. Disclosure of accounting treatment

The company in the preparation of financial statements has followed the treatment laid down in the accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications in the company's financial statements for the year under review.

viii. Compliance with corporate governance requirements

Your company has complied with corporate governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration by the Managing Director under para D of schedule V of the SEBI (Listing obligations and disclosure requirements) regulations, 2015

Code of Conduct

In terms of Reg.26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the board members and Senior Management Personnel of the company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2018.

For Apex Frozen Foods Limited

Sd/-
K Satyanarayana Murthy
Chairman & Managing Director
DIN 05107525

Place: Panasapadu, Kakinada
Date: 13.08.2018

Compliance certificate by Managing Director (MD) and Chief Financial Officer (CFO)

We, K. Satyanarayana Murthy, Managing Director and Mr. Ch. Vijay Kumar, CFO of Apex Frozen Foods Limited, to the best of our knowledge and belief, certify that:
We have reviewed the financial statements including the statement of cash flows for the year under review and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
- These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.

We have indicated to the auditors and the audit committee that:

- There are no significant changes in internal control over financial reporting during the year.
- There are no significant changes in accounting policies during the year, except as stated in the notes to financial statements
- There are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control system.

	Sd/-	Sd/-
Place: Panasapadu, Kakinada	K. Satyanarayana Murthy	Ch. Vijay Kumar
Date: 28.05.2018	Managing Director	CFO

Certificate on Corporate Governance

To
The Members,
Apex Frozen Foods Limited

We have examined the compliance of conditions of Corporate Governance by Apex Frozen Foods Limited ('the company') for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.
The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 13.08.2018
Place: Hyderabad

for A.S.Ramkumar & Associates
Company Secretaries

Sd/-
A.S.Ramkumar
Partner
CP No. 9228

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Annexure - III

Secretarial Audit Report

Form No. MR-3
for the financial year ended 31st March 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the companies (Appointment and remuneration personnel) Rules, 2014]

The Members
Apex Frozen foods Limited
3-160, Panasapadu, Kakinada,
East Godavari District,
Andhra Pradesh -533005.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Apex Frozen Foods Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
Based on our verification of the M/s. Apex Frozen Foods Limited, Registers, Records, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, We hereby report that in our opinion, the Company has, during the audit period covering the financial year from 01st April 2017 to 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by M/s. Apex Frozen Foods Limited for the financial year ended on 31st March 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- **a.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- **b.** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.
- **c.** The SEBI (Prohibition of Insider Trading) Regulations, 2015.
- **d.** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- **e.** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable.
- **f.** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable.
- **g.** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- **h.** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; not applicable.
- **i.** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; not applicable.

vi. The Company has identified the following laws specifically applicable to the company.
- **a)** Marine Products Export Development Authority Act, 1972 and rules made thereunder.
- **b)** Coastal Aquaculture Authority Act, 2005 and rules made thereunder.
- **c)** The Water (Prevention and control of pollution) Act, 1974.
- **d)** The Air (Prevention and control of pollution) Act, 1981.
- **e)** The Environment Protection Act, 1986 and rules made thereunder.
- **f)** Hazardous Waste (Management and Handling and transboundary Movement) Rules, 2008.
- **g)** Customs Act, 1962.
- **h)** The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
- **i)** Food Safety and Standards Act, 2006.

j) The Legal Metrology (Packaged Commodities) Rules, 2011.
k) Factories Act, 1948.
l) Industrial Disputes Act, 1947.
m) The Payment of Wages Act, 1936.
n) The Minimum Wages Act, 1948.
o) Employee State Insurance Act, 1948.
p) Employees Provident Funds and Miscellaneous Provisions Act, 1952.
q) The Payment of Bonus Act, 1965.
r) The Payment of Gratuity Act, 1972.
s) The Contract Labour (Regulation & Abolition) Act, 1970.
t) The Child Labour (Prohibition & Regulation) Act, 1986.
u) The Industrial Employment (Standing Order) Act, 1946.
v) Equal Remuneration Act, 1976.
w) Shops and Establishment Act, 1988.
x) Trade Marks Act, 1999.

Further, we have also examined compliance with the applicable clauses of the following:
I. Secretarial Standards issued by The Institute of Company Secretaries of India., with respect to Board and General Meetings.
II. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. as mentioned above except.

"Delay in submission of Monitoring agency Report along with the statement of Deviation/ variation on utilization of IPO proceeds with Stock Exchanges for the quarter ended 30th September 2017, 31st December 2017 and 31st March, 2018 as required under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 16 of SEBI (Issue Of Capital And Disclosure Requirements) Regulations, 2009."

We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the company.

We further report that:-
• The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, no changes in the composition of the Board of Directors took place.
• Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
• As per the minutes of the Board Meetings and Committee Meetings, the decisions of the Board and Committee as the case may be were unanimous and no dissenting views have been recorded.

We further report that during the audit period the Company does not have any major events / actions which either directly or indirectly effect the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:
• The company has made a public issue of 87,00,000 equity shares of face value of Rs.10/- each for cash at a price of Rs.175/- per equity share comprising of a fresh issue of 72,50,000 equity shares by company and an offer for sale of 7,25,000 equity shares by Mr.Karuturi Satyanarayana Murthy and 7,25,000 equity shares by Mrs. Karuturi Padmavathi the promoters of the company.

• Equity shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and are regularly traded on both the exchanges w.e.f. 04.09.2017.

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For A. S. Ramkumar & Associates
Company Secretaries

Sd/-
A. S. Ramkumar
Partner
FCS 8149, CP.9228

Place: Hyderabad
Date: 13.08.2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report
Annexure A

To
The Members of Apex Frozen Foods Limited

Our Report of Even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A. S. Ramkumar & Associates
Company Secretaries

Sd/-
A. S. Ramkumar
Partner
FCS 8149, CP.9228

Place: Hyderabad
Date: 13.08.2018

Annexure - IV

Corporate Social Responsibility

The CSR is being reported from 1st April, 2017 to 31st March, 2018.

A. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and projects or programs.

Apex Frozen Foods Limited (AFFL) CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

Resources

2% of the average net profits of the company made during the three immediately preceding financial years, any income arising there from and surplus arising out of CSR activities.

Areas identified for CSR activities

The areas where the company intends to focus its CSR activity are listed below. This is not an exclusive list and the company may include other activities, based on the areas identified and felt need for improvement by the CSR Committee-

- Eradicating hunger, poverty and malnutrition.
- Promoting health care including preventive health care.
- Ensuring environmental sustainability and ecological balance.
- Employment and livelihood enhancing vocational skills and projects.
- Promotion of education especially among children, women, elderly.
- Promoting gender equality and empowering women.
- Rural Development Projects.
- Education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

AFFL will engage in the above activities independently or in such manner that it will complement the work being done by local authorities wherever necessary in such a manner, that the work executed by AFFL will offer a multi fold benefit to the community.

B. Composition of the CSR committee

- Mrs. K Neelima Devi - Chairman
- Mr. K Satyanarayana Murthy - Member
- Mr. D Venkata Subba Raju - Member

C. Average net profit of the company for last three financial years

Average net profit: Rs. 3200.00 lakhs

D. Prescribed CSR expenditure (two percent of the amount as in item C above)

The company is required to spend Rs. 64.00. lakhs towards CSR for the financial year 2017-18.

E. Details of CSR spent for the financial year:

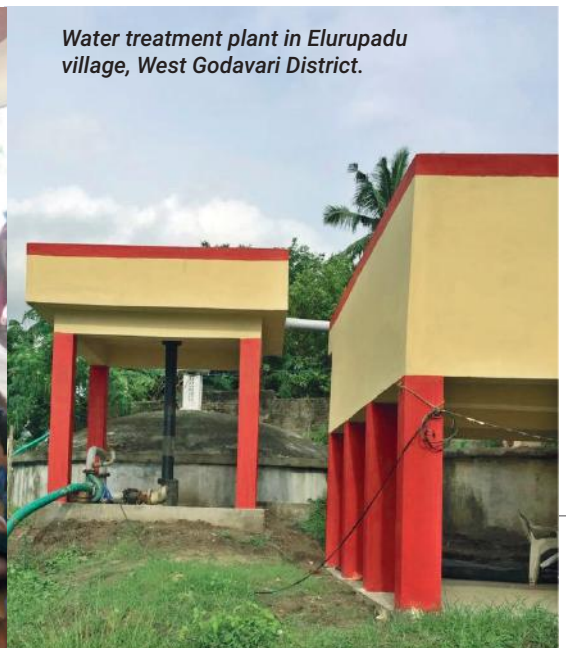
a. Accumulated outstanding balance of CSR expenditure : Rs. 131.36 lakhs.

b. During the F.Y. 2017-18 ,an amount of Rs.91.23 lakhs has been transferred to Apex foundation(trust) exclusively for spending towards CSR activities.

c. Amount unspent : Rs. 99.76 lakhs.

d. Manner in which the amount spent during the financial year is detailed alongside.

Mid day meals through Akshayapatra foundation



Water treatment plant in Elurupadu village, West Godavari District.

Sl. No.	CSR project or activity identified.	Sector in which the Project is covered./ Relevant Section of Schedule VII in which the project is covered.	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads.	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency.
1	Construction of water tank in villages.	Safe drinking water.	Construction of water treatment plant in Elurupadu village, West Godavari District.	Rs.22.00 lakhs	Rs.3.85 lakhs	Rs.3.85 lakhs	Direct
2	Development of parks in villages.	Rural development.	Development of park in G. Ragampeta village, near Peddapuram.	Rs.4.32 lakhs	Rs.2.00 lakhs	Rs.2.00 lakhs	Direct
3	Promotion of education especially among children, women, elderly.	Promotion of education.	Rotary foundation.	Rs.16.25 lakhs	Rs.16.25 lakhs	Rs.16.25 lakhs	Implementing Agency
4	Promotion of education especially among children, women, elderly.	Mid-day meal scheme.	Akshayapatra	Rs.9.50 lakhs	Rs.9.50 lakhs	Rs.9.50 lakhs	Implementing Agency

F. Responsibility statement of the CSR committee

We hereby affirm that the CSR Policy, as approved by the board, has been implemented and the CSR committee monitors the implementation of CSR projects and activities in compliance with our CSR objectives.

Sd/-
K Neelima Devi
Whole Time Director &
Chairman of CSR Committee
DIN 06765515

Sd/-
K Satyanarayana Murthy
Managing Director
DIN 05107525

Place: Panasapadu, Kakinada
Date: 13.08.2018

Annexure –V

Disclosures pursuant to section 197(12) of the companies act, 2013 and rule 5 of companies appointment and remuneration of managerial personnel) rules, 2014

Required disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year-2017-18

Sl.No.	Name	Designation	Total remuneration (Rs in Lakhs)	Ratio of remuneration of director to the median remuneration
1	K. Subrahmanya Chowdary	Executive Director	168.00	1497:1
2	K. Satyanarayana Murthy	Managing Director	168.00	1497:1
3	K. Neelima Devi	Whole time Director	125.00	1113:1

Notes:

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.
2. The remuneration to Directors includes sitting fees paid to them for the financial year 2017-18.
3. Median remuneration of all its employees is Rs 11223/- for the financial year 2017-18.

2.The percentage increase/(decrease) in the median remuneration of employees in the financial year: **11.00 %**

3.The number of permanent employees on the rolls of Company:

Executive & Staff	400
Workers	1900
Total	2300

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Key Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration-

(Amount in Rs.)

Particulars	2017-18	2016-17	Increase %
Average salary of all employees (Other than Key Managerial Personnel)	11,223.00	10,113.00	11.00
Salary of Managing Director (Rs in lakhs)	168.00	175.10	0.00
Salary of Whole Time Director (Rs in lakhs)	168.00	175.10	0.00
Salary of Whole Time Director (Rs in lakhs)	125.00	64.77	0.00
Salary of Chief Financial Officer (Rs in lakhs)	8.00	8.00	0.00
Salary of Company Secretary (Rs in lakhs)	1.90	1.80	0.00

The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

6. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, vide notification dated 30th June, 2016:

List of top ten employees of the Company in terms of remuneration drawn and employed throughout the financial year 2017-18.

Name(s)	Salary P.A (Rs in lakhs)	Qualification	Years of exp.	Previous employment
G.V.Raghava Raju	24.00	B.SC	22	Surya Chakra Sea foods ltd
H. Raja Sekhar	24.00	B.SC (Fisheries)	17	Jagadish Marine
U. Vinod	24.00	B.A.,	20	_
Ch. Siva Rama Krishna	9.00	B.A.,	15	_
N. Suresh	8.04	B.SC	10	Sandhya Marine
D. Satya Madhavi	9.60	M.SC	17	Jasper Aqua
R. Trimurthulu	6.60	B.SC	12	_
N. Uday Kumar Raju	5.76	B. TECH	5	_
P. Durga Prasad	4.20	B.COM	10	_
M. Satyanarayana	9.60	ITI	25	NJR Marine

Notes:
1. No employee is a relative of any Director or Manager of the Company.
2. All appointments are contractual and terminable by notice on either side.
3. Remuneration includes salary, bonus, commission, various allowances, contribution to provident fund and superannuation fund and taxable value of perquisites excluding provision for gratuity and leave encashment.
4. Company has not paid remuneration to any of the employee exceeding Rs 1.02 Crore.

7. There is no employee in the Company, who has drawn remuneration exceeding more than One crore and Two lakhs per annum for the financial year 2017-18; and
There is no employee in the Company, who has drawn the remuneration exceeding Eight lakhs and Fifty thousand per month during the financial year 2017-18.For Apex Frozen Foods Limited.

Sd/-
K Satyanarayana Murthy
Chairman & Managing Director
DIN 05107525

Place: Panasapadu, Kakinada
Date: 13.08.2018

Annexure –VI

Management discussion and analysis report

A. Economic environment

The financial year 2018 saw the World GDP grow by 3.8% in 2017 representing a marked improvement over 2016, which at 3.2% as per IMF estimates. The pick-up in growth in Emerging Markets & Developing Economies which recorded a growth of 4.8% in 2017 was supported by synchronous growth in the Advanced Economies which grew by 2.3% in 2017. The USA in particular saw growth of 2.3% in 2017 against 1.5% in 2016, led by robust recovery in Private Investment and expansion in consumer spending.

The USA is expected to continue this growth trajectory, albeit with more protectionist trade policies. This coupled with progressive tapering of quantitative easing in the EU and the tapering of interest rates in the USA could pose a challenge to the export driven emerging markets.

Domestically, based on the Survey of Professional Forecasters on Macroeconomic Indicators conducted by the RBI, Real gross domestic product (GDP) is likely to grow at 7.4% in 2018-19 — up from 6.7% in 2017-18 — and is expected to accelerate further i.e., by 20 basis points (bps) in 2019-20 on the back of support from private consumption and investment. (Reserve Bank of India, 2018).

B. Industry overview

Global seafood industry

Seafood production: According to the FAO, an estimated 2.3 percent hike in global fish production gave a significant boost to trade revenues in the first nine months of 2017. Aquaculture continues to increase its contribution to the world's seafood supply, growing at a steady rate of about 4.5 percent to reach a total harvest of 83.6 million tonnes in 2017. Capture fisheries productions remain stable at some 90.4 million tonnes. (FAO, 2018). The key producing nations include China, India, Indonesia and Vietnam.

Seafood consumption: The global per capita seafood consumption has been steadily increasing from under 10kg in 1960s to 20.3kg in 2016. (FAO, 2018). This has primarily been driven by rising income level, variety in product offering, richer protein content and stable supply through aquaculture. The key importing nations include USA, Japan, China and Spain.

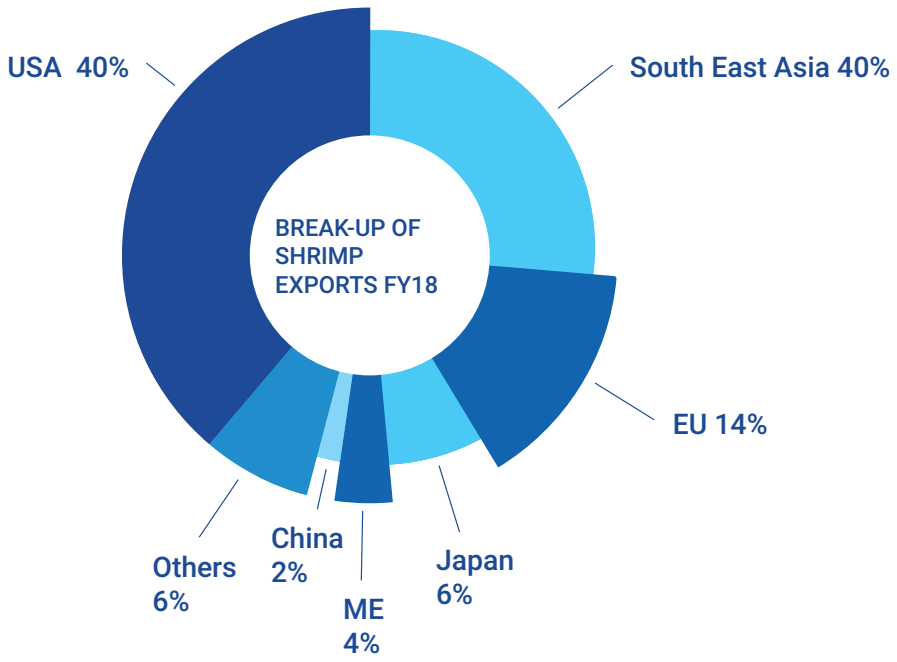
Asia, and particularly China, remains the major driver of global seafood development on both the supply and demand side. (FAO, 2018).

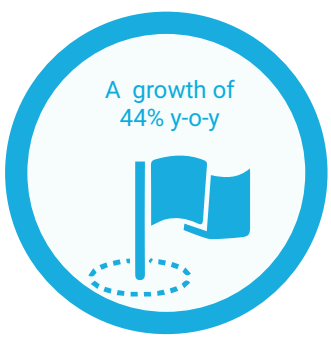
India Seafood Industry

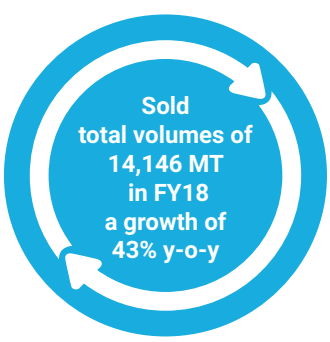
India's seafood exports have been growing steadily in the past decade, recording a CAGR of 10% over FY09-18. The total seafood exports from India in Fiscal 2018 stood at 13,77,244 MT as against 11,34948 MT in the previous fiscal, accounting for a growth of 21% y-o-y. In value terms, seafood exports were worth $7.1 bn in Fiscal 2018, a growth of 23% y-o-y.

Of the total seafood, the share of Frozen Shrimp which formed 41% in Fiscal 2018, has been growing fast in the past decade primarily after the Indian Government allowed the commercial production of L. Vannamei species of shrimp in 2009-10. Since then, total exports of frozen shrimp grew at a CAGR of 20% over FY09-18 and recorded sales of 5,65,980 MT in Fiscal 2018, a growth of 30% y-o-y. In value terms, frozen shrimp exports were worth $4.8 bn in Fiscal 2018, a growth of 30% y-o-y.

The key markets for Indian shrimp exports are USA, South East Asia and the EU, amongst others. India has been able to garner market share in the USA, on account of its sustained and stable supply of quality shrimps, from 8.4% in CY11 to 32.2% in CY17.







Fiscal year 2018 and outlook

The last fiscal started with high demand and better realisations, however, towards the second half, we saw a tapering off of demand due to extended winter and inventory pileup in the USA – a key market for Indian shrimp exports. Parallelly, the supply of shrimps increased due to increased production by India and on-streaming of supply from some South East Asian countries. This resulted in a correction in prices of shrimp which started in H2Fiscal 2018. As of now, shrimp prices, on an average, might have corrected in the range of 15-20% year-on-year and are seeming to stabilise at current levels. While this may have an impact on realizations and revenues in the near term, we believe that such price corrections could lead to increased consumption of Shrimp and thereby boost volumes sold in the longer term.

C. Business overview:

Company overview

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

Our integrated operations include three operational hatcheries with a combined breeding capacity of over 1bn SPF seeds, over 1,800 acres of land (owned + leased) for farming, shrimp processing capacity of 15,240 MTPA (owned + leased), cold storage capacity of 1,500 MT and our own reefer fleet for transportation of goods.

Our total employee strength as of March 2018 stood at 2300 number of employees.

Fiscal year 2018 and outlook

Your Company began a new phase in its journey last fiscal when it got listed as a Public Company on the NSE and the BSE in Sep-17. The Company raised Rs 126.87 crores towards a greenfield expansion of processing facility and general corporate purposes. The new plant which is currently under construction will have a processing capacity of 20,000 MTPA and is expected to come on stream in the current fiscal FY19. The total capex to be incurred is planned at Rs 90.15 crores.

We achieved another important milestone last year, with our Total Income crossing the Rs 10 bn mark, posting a growth of 44% y-o-y, led by better demand from our key markets and enhanced capacities at our end, to cater the same. The Company sold total volumes of 14,146 MT in FY18 as compared with 9,897 MT of sales in the previous fiscal – a growth of 43% y-o-y.

Your Company has always focused its efforts on increasing its profitability. Last year, our profitability was bolstered by the culmination of higher operating leverage and our backward integration efforts like setting up of hatcheries and enhancing in-

Last year, our profitability was bolstered by the culmination of higher operating leverage and our backward integration efforts like setting up of hatcheries and enhancing in-house farming operations.

house farming operations. We added one new Hatchery last year and increased our in-house farming by ~600 acres to ~1,800 acres currently.

Also, as a conscious effort towards favourably diversifying our revenue mix, we were successful in increasing our business from European Union last year. The share of EU in the overall revenue mix increased from ~18% in Fiscal 2017 to ~24% in Fiscal 2018, despite the strict quality norms and checks placed by EU on Indian processors. We aim to better the mix in the coming years.

Our outlook for fiscal 2019 continues to remain positive given India's competitive positioning as Seafood exporter. Additionally, at the Company's level, the strategic initiative taken by the management will see us adding new capacities, new products like Ready-to-Eat category as well as foray into newer markets and thereby aid the growth in revenues and profitability.

D. Opportunities and threats:

Opportunities

With the advent of increasing focus on moving to healthier foods and sourcing quality proteins, the developed economies are relying more heavily than ever on seafood as compared to other forms of meat. With our new production facility, we hope to be able to cater to this large opportunity.

Threats

The aquaculture activity susceptible to the vagaries of nature natural calamities like floods and cyclones, during the culture season. As seen in other countries, the products that we offer are also susceptible to infections. Revenues may also get prone to volatility of international prices of shrimp, including duties and other levies. The industry has, however adopted and created best practices that are indicative of its development. Measures such as traceability and scientific pond management help reduce the impact of diseases. Hedging revenues also offers some protection against fluctuating forex rates.

E. Risks

Your Company's revenues are largely realised in foreign currency. Further, the nature of the business requires us to invest in working capital and therefore requires us to manage our liquidity positions carefully.

We have thus far managed to ensure that our relationships with our customers and suppliers are cordial and will continue working on that ethos.

Foreign exchange risk

We are exposed to exchange rate risk as a significant portion of our revenues are denominated in foreign currencies, while a large part of our expenses is incurred in Indian Rupees. Products that we export are paid for in foreign currency. Any appreciation in the value of the Rupee against U.S. dollar or other foreign currencies would decrease the realization of Rupee value of our products. The exchange rate between the Rupee and each of the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. While we hedge our positions, recent movements in currencies could mean that a certain portion of the risk could still impact our profitability.

Liquidity risk

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. We have thus far managed to ensure that our relationships with our customers and suppliers are cordial and will continue working on that ethos.

F. Internal control systems

Your Company's independent and robust Internal Audit processes provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements. The Company has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit committee and the management have, at periodic intervals, reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

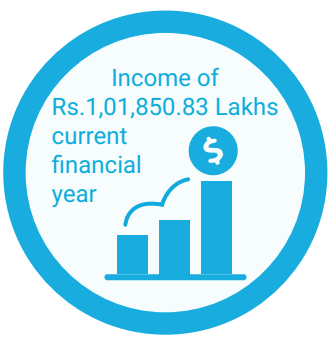
The Internal Controls are also essential for us to maintain the quality and consistency that our global customers expect of us.

G. Financial performance

The Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial statements are the first IND AS Financial statements of the Company and the date of transition to IND AS is April 01, 2016.

During the year, your Company recorded total income of Rs. 1,01,850.83 Lakhs during the current financial year as compared to total income of Rs.70,926.02 Lakhs in Fiscal 2017 and Net Profit/(Loss) for the period after tax the year Fiscal 2018 stood at Rs.7,910.05 Lakhs as compared to Rs.2,916.47 Lakhs in Fiscal 2017.

The Directors are pleased to recommend an Ordinary Dividend of Rs.2 per share for Fiscal 2018. Total cash outflow in this regard will be Rs.625 lakhs (excluding Dividend Distribution Tax).



Financial Statements

Independent Auditor's Report

To the members of Apex Frozen Foods Limited

Report on the standalone IND AS financial statements

We have audited the accompanying standalone IND AS financial statements of APEX FROZEN FOODS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. (Herein after referred to as "the stand alone IND AS Financial statements").

Management's responsibility for the stand alone IND AS financial statements

The Company's Board of Directors is responsible for the preparation of these stand alone IND AS financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone IND AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the financial position of the Company as at 31st March, 2018, and its Statement of Profit and loss(including other comprehensive income), its changes in Equity and the Cash Flows for the year ended.

Other matters

The comparative financial information of the company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in these standalone IND AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules audited by us expressing an unmodified opinion on those financial statements as adjusted by the differences in the accounting principles adopted by the company on transition to the IND AS, which have been compiled by management.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid standalone IND AS financial statements;

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive Income , the statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

e. On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
Boda Ramam & Co.,
Chartered Accountants
FRN No: 005383S

Sd/-
(CA. Boda Anand Kumar)
Partner
Membership No: 029123

Place: Kakinada
Date: 28-05-2018

"Annexure A" to the Independent auditor's report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of Apex Frozen Foods Limited for the year ended 31st March, 2018. We report that:

i. In respect of company's fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company as at Balance Sheet date. However it is observed that the title deeds of the factory land at Panasapadu, East Godavari, Andhra Pradesh continued to be in the name of the Partnership Firm M/s. Apex Exports which is an erstwhile firm converted as company under Part IX of the Companies Act, 1956 in March, 2012.

ii. The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.

vi. The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the business activities carried on by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.

vii. According to information and explanations given to us in respect of statutory dues:

a. the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Customs Duty, Duty of Excise, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2018 for a period of more than six months from the date on when they
become payable.

b. According to the information and explanation given to us, there are no dues of income tax, goods & service Tax, duty of customs, duty of excise, outstanding on account of any dispute. However in this regard we report that:

i. During the year, Income Tax authorities conducted search u/s. 132 of the Income Tax Act, 1961 in the premises of the company, and also in the residential buildings of Managing Director and few Senior Employees. It is observed that company has paid an amount of Rs. 35.92 Lakhs as tax for the A.Y. 2015-16 and the same is included in taxes which is grouped under the head Administration & Selling Expenses. Provision to be made if any, is not known as search proceedings are not concluded.

ii. Company has carried out exercise of review of GST/SGST/IGST accounting at the end of the year on all the transactions of revenue and capital nature. As per such review GST/SGST/IGST refundable is arrived at Rs.5.45 Crs. Considering the system of maintenance of accounts and mode of recording of transactions and volume of transactions, correctness of the same is not verifiable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

ix. During the year the company has raised funds by way of initial public offer. Details of funds raised and spent are reported as under.

Particulars	Amount (In Lakhs)	Amount (In Lakhs)
Net Proceeds from IPO (A)		**12,687.50**
Funds actually utilised up to 31st March 2018		
1. Public Issue Expenses	912.02	
2. Shrimp Processing Unit at G. Ragampeta – Land Investment	747.40	
3. Shrimp Processing Unit at G. Ragampeta - Further Capital Expenditure	1,985.22	
4. Funds Utilised for General Corporate Purpose	3,171.88	
Total (B)		6,816.51
Fund unutilised as at 31st March 2018 (C)= (A)-(B)		**5,870.99**

It is observed that IPO Funds are also routed through regular bank accounts in which internal accrued funds & loan funds are routed through.

x. To the best of our knowledge and according to the information and explanations given to us, We report that, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Provisions of Section 197 of Companies Act, 2013 relating to managerial remuneration and restriction thereof are applicable to this company and the same were duly complied.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations to us, the Company is in compliance with section 177 and 188 of Companies Act, 2013 where applicable, for all transactions with the related parties and the details have been disclosed in the standalone IND AS Financial Statements as required by the applicable Indian accounting standards.

xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

xv. In our Opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with directors or persons connected with them as contemplated under provisions of Section 192 of Companies Act, 2013 and hence the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
Boda Ramam & co.,
Chartered Accountants
FRN No: 005383S

Sd/-
(CA. Boda Anand Kumar)
Partner
Membership No: 029123

Place: Kakinada
Date: 28-05-2018

"Annexure B" to the Independent Auditor's Report
Report on the Internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **APEX FROZEN FOODS LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended as of that date.

Management's responsibility for internal financial controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone IND AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone IND AS financial statements.

Inherent Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, management's assessment that Company maintained effective internal control over financial reporting as of 31st March, 2018, is fairly stated, in all material respects, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Boda Ramam & co.,
Chartered Accountants
FRN No: 005383S

Sd/-
(CA. Boda Anand Kumar)
Partner
Membership No: 029123

Place: Kakinada
Date: 28-05-2018

Balance Sheet

Balance sheet as at 31st March, 2018

(Rs. in Lakhs)

I.Assets	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current Assets				
(a) Property, Plant and Equipment	3	11,111.11	8,287.16	5,518.23
(b) Capital Work-In-Progress	3	2,085.80	77.57	799.74
(c) Other Non-current Assets	4	535.25	207.72	4.96
(c) Deferred Tax Asset (Net)	5	352.08	-	-
Total Non-Current Assets		**14,084.24**	**8,572.45**	**6,322.94**
Current Assets				
(a) Inventories	6	10,159.95	6,382.46	5,958.69
(b) Financial Assets				
(i) Trade Receivables	7	6,738.89	8,281.26	4,146.22
(ii) Cash and Cash Equivalents	8	6,443.89	456.43	183.05
(iii) Other Financial Assets	9	1,836.04	1,276.59	1,318.59
(c) Other Current Assets	10	3,844.56	2,700.62	1,513.72
Total Current Assets		**29,023.33**	**19,097.35**	**13,120.26**
Total Assets		**43,107.57**	**27,669.80**	**19,443.20**
II. Equity & liabilities				
Equity				
(a) Equity Share Capital	11	3,125.00	2,400.00	2400.00
(b) Other Equity	12	27,104.69	8,542.37	5914.76
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	826.01	2,095.34	1189.15
(b) Deferred Tax Liabilities (Net)	5	-	634.50	701.36
(c) Other Non-Current Liabilities	14	184.05	-	-
Total Non-Current Liabilities		**1,010.06**	**2,729.84**	**1,890.50**

I.Assets	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	7,224.52	8,474.47	6418.36
(ii) Trade Payables	16	2,655.56	3,088.99	1613.55
(iii) Other Financial Liabilities	17	492.75	443.67	314.09
(b) Provisions	18	913.13	1,637.62	625.30
(c) Current Tax Liability (Net)	19	581.86	352.84	266.63
Total Current Liabilities		**11,867.82**	**13,997.59**	**9,237.93**
Total Equity and Liabilities		**43,107.57**	**27,669.80**	**19,443.20**

Notes forming part of the financial statements 1- 34

The accompanying notes are an integral part of the financial statements
As per our report of even date
For Boda Ramam & Co.,
Chartered Accountants
Firm Registration No. 005383S

For and on behalf of the Board of directors

Sd/-
(CA.Boda Anand Kumar)
Partner
Membership No. 029123

Sd/-
K. S. Chowdary
Executive Director
DIN : 03619259

Sd/-
K. Satyanarayana Murthy
Chairman & Managing Director
DIN : 05107525

Place: Kakinada
Date: 28-05-2018

Sd/-
S. Sarojini
Company Secretary

Sd/-
Ch. Vijaya Kumar
Chief Financial Officer

Statement of Profit & Loss

Statement of profit & loss for the year ended 31st March, 2018

(Rs. in Lakhs)

Particulars	Note	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue			
(a) Revenue from Operations	20	99,863.40	69,869.50
(b) Other Income	21	1,987.43	1,056.52
Total Revenue		**1,01,850.83**	**70,926.02**
Expenses			
(a) Cost of Materials	22	74,084.50	53,593.64
(b) Changes in Inventories	23	(3,777.49)	(423.77)
(c) Employee Benefits Expense	24	3,892.31	2,492.08
(d) Finance Cost	25	869.96	1,122.02
(e) Depreciation and amortisation expense & Others	26	865.24	627.17
(f) Other Expenses	27	14,660.98	9,771.25
Total Expenses		**90,595.49**	**67,182.38**
Profit / (Loss) before exceptional items and tax		**11,255.33**	**3,743.64**
Exceptional items		-	-
Profit/(Loss) before tax		**11,255.33**	**3,743.64**
Tax Expenses			
1. CurrentTax		4,331.86	1,297.81
2. Deferred Tax	5	(986.58)	(66.85)
Total Tax Expenses		**3,345.28**	**1,230.95**
Net Profit/(Loss) for the period after tax		**7,910.05**	**2,512.68**
Other Comprehensive Income (net of tax expense)		(392.50)	403.78
Total Comprehensive Income after tax		**7,517.56**	**2,916.47**
Earnings Per Equity share	28		
(a) Basic		28.02	10.47
(b) Diluted		28.02	10.47

The accompanying notes are an integral part of the financial statements
As per our report of even date
For Boda Ramam & co.,
Chartered Accountants
Firm Registration No. 005383S

For and on behalf of the Board of directors

Sd/-
(CA.Boda Anand Kumar)
Partner
Membership No. 029123

Sd/-
K. S. Chowdary
Executive Director
DIN : 03619259

Sd/-
K. Satyanarayana Murthy
Chairman & Managing Director
DIN : 05107525

Place: Kakinada
Date: 28-05-2018

Sd/-
S. Sarojini
Company Secretary

Sd/-
Ch. Vijaya Kumar
Chief Financial Officer

Statement of changes in equity

Statement of changes in equity for the year ended 31st March, 2018

(Rs. in Lakhs)

a. Equity

Particulars	Number of Shares	Amount
Balance as at 1st April, 2016	**2,40,00,000**	**2,400**
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2017	**2,40,00,000**	**2,400**
Increase in equity share capital during the year	72,50,000	725
Balance as at 31st March, 2018	**3,12,50,000**	**3,125**

b. Other Equity

Particulars	Reserves & Surplus			
	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2016	-	**1,000.00**	**4,914.76**	**5,914.76**
Add: Profit for the Year	-	-	2,916.47	2,916.47
Less: Dividend (including Corporate Dividend Tax)	-	-	(288.86)	(288.86)
Balance as at 31st March, 2017	-	**1,000.00**	**7,542.37**	**8,542.37**
Balance as at 1st April, 2017	-	**1,000.00**	**7,542.37**	**8,542.37**
Add: Profit for the Year	-	-	7,517.56	7,517.56
Securities Premium on Fresh issue of Equity Shares	11,962.50			11,962.50
Less: IPO Expenses	(912.01)			(912.01)
Less: Tax on Other comprehensive Income			(5.73)	(5.73)
Balance as at 31st March, 2018	**11,050.49**	**1,000.00**	**15,054.20**	**27,104.69**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For Boda Ramam & Co.,
Chartered Accountants
Firm Registration No. 005383S

For and on behalf of the Board of directors

Sd/-
(CA.Boda Anand Kumar)
Partner
Membership No. 029123

Sd/-
K. S. Chowdary
Executive Director
DIN : 03619259

Sd/-
K. Satyanarayana Murthy
Chairman & Managing Director
DIN : 05107525

Place: Kakinada
Date: 28-05-2018

Sd/-
S. Sarojini
Company Secretary

Sd/-
Ch. Vijaya Kumar
Chief Financial Officer

Statement of cash flows

Statement of cash flows for the year ended 31st March, 2018

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Profit before tax	**11,255.33**	**3,743.64**
Adjustments for:		
Depreciation & Amortisation expense	865.24	627.17
Finance Costs	728.05	982.98
Interest Income	(187.96)	(20.37)
Unrealised Gain/(Loss) on Forward Contracts	(381.67)	403.72
Regrouping of Actuarial Gain or Losses	(16.55)	0.06
Operating Profit before working capital changes	**12,262.44**	**5,737.21**
Changes in Working Capital:		
Increase / (Decrease) in Payables	(433.42)	1,475.43
Increase / (Decrease) in Other Financial Liabilities	49.08	129.58
Increase / (Decrease) in Short Term Provisions	(495.47)	1,098.53
Increase / (Decrease) in Other Non Current Liabilities	184.05	-
Decrease / (Increase) in Inventories	(3,777.49)	(423.77)
Decrease / (Increase) in Receivables	1,542.37	(4,135.03)
Decrease / (Increase) in Other Financial Assets	(559.45)	42.00
Decrease / (Increase) in Other Current Assets	(1,143.94)	(1,186.90)
Cash Generated from Operations	**7,628.15**	
Net Income Tax Paid	(4,331.86)	**2,737.05**
Net Cash Flow from Operating Activities (A)	**3,296.29**	(1,297.81)
B. Cash Flow From Investing Activities		**1,439.24**
Capital Expenditure on Property, Plant & Equipment	(5,697.42)	(2,674.01)
Proceeds on Sale of Property, Plant & Equipment	-	0.08
Other Non-Current Assets	(327.53)	(202.75)
Interest Received	187.96	20.37
Net Cash Flow from Investing Activities (B)	**(5,836.99)**	**(2,856.32)**
C. Cash Flow From Financing Activities		
Proceeds from issue of Equity	12,687.50	-
Proceeds from Borrowings	507.73	2,962.30
Repayment of Borrowings	(3,027.01)	-
Utilisation of Securities Premium	(912.01)	-
Dividends Paid (Including Corporate Dividend Tax)	-	(288.86)
Financing Charges	(728.05)	(982.98)
Net Cash Flow from Financing Activities (C)	**8,528.17**	**1,690.45**
Net increase / (Decrease) in cash & Cash Equivalents(A+B+C)	**5,987.46**	**273.38**
Cash and Cash Equivalents as at the beginning of the year	456.43	183.05
Cash and Cash Equivalents as at the end of the year (Refer Note 1 Below)	6,443.89	456.43
Note (i): Cash and Cash Equivalents comprises of		
Balances with Banks	6,319.17	406.46
Cash in Hand	124.72	49.97
	6,443.89	**456.43**

The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in IND AS - 7, 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013.

Purchase of property, plant and equipment includes movements of capital work-in-progress during the year.

The accompanying notes are an integral part of the financial statements
As per our report of even date
For Boda Ramam & co.,
Chartered Accountants
Firm Registration No. 005383S

For and on behalf of the Board of directors

Sd/-
(CA.Boda Anand Kumar)
Partner
Membership No. 029123

Sd/-
K. S. Chowdary
Executive Director
DIN : 03619259

Sd/-
K. Satyanarayana Murthy
Chairman & Managing Director
DIN : 05107525

Place: Kakinada
Date: 28-05-2018

Sd/-
S. Sarojini
Company Secretary

Sd/-
Ch. Vijaya Kumar
Chief Financial Officer

Notes to financial statements

for the year ended 31st March, 2018

1. Corporate information

Apex Frozen Foods Limited ("AFFL"- The Company) is a Listed Public Company under "The Companies Act, 1956", with its registered office at Panasapadu, Kakinada under CIN No: L15490AP2012PLC080067. The Board of Directors consists of:

i. Satyanarayana Murthy Karuturi	Managing Director
ii. Subrahmanya Chowdary Karuturi	Whole Time Director
iii. Neelima Devi Karuturi	Whole Time Director
iv. Chandrasekhar Raju Datla	Independent Director
v. Lakshmipathi Raju Mantena	Independent Director
vi. Venkata Subba Raju Datla	Independent Director

The Company is having Shrimp Processing facility at Panasapadu, Kakinada besides Pre-Processing plant at Tallarevu, East Godavari District. The Company is also having Farms & Prawn Hatcheries.

2. Basis of preparation and significant accounting policies

a) Significant accounting policies

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the standalone IND AS financial statements and reported amounts of income and expense during the year. Management believes that the estimates used in the preparation of the standalone IND AS financial statements are prudent and reasonable.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

This note provides a list of significant accounting policies adopted during the preparation of these financial statements which have been consistently applied to all the years presented, unless otherwise stated.

b) Basis of preparation

i. Compliance with IND AS:

The Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial statements up to year ended March 31, 2017 were prepared in accordance with the Generally Accepted Accounting Principles in India to Company with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial statements are the first IND AS Financial statements of the Company and the date of transition to IND AS is April 01, 2016. Refer Note. 33 for an explanation of how the transition from previous GAAP to IND AS has an impact on the financial position, financial performance and cash flows of the company.

ii. Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for the following:

- Certain Financial Assets and Liabilities that are measured at fair value. .
- Defined Benefit Plans – Plan measured at fair value.

iii. Foreign currency translation

a)Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The Standalone IND AS financial statements are presented in Indian Rupees (INR) which is the functional and presentation currency of the company.

b)Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of transactions. Foreign exchanges gains/ (losses) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies as at the end of the year are generally recognized in the Statement of Profit and Loss.

iv. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and taxes (Goods and services tax).

The Company recognizes revenue upon transfer of significant risks and rewards of ownership of goods to the customer, when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the entity.

v. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961.

The current income tax expense is calculated on the basis on tax laws in force. The Management establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax is provided in full on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone IND AS financial statements. It is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred Tax assets are recognized regarding all temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax balance relates to the same taxation authority. Current Tax Asset and current tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

vi. Leases

The company in capacity of a Lessee, holds many farms and hatcheries. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss over the period of lease.

vii. Impairment of assets

The company periodically tests its assets for impairment and if the carrying values are found in excess of recoverable value, impairment loss is recognized. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. There is no impairment loss or gain during the current financial year.

viii. Cash and cash equivalents

Cash and Cash equivalents for the purposes of Statement of Cash Flows includes Cash on hand, Cash at bank and Deposits.

ix. Trade receivables

Trade Receivables are initially recognized at the amount for which Invoice is raised and subsequently restated with the RBI rate as at the end of the reporting period.

x. Bad debts

Bad Debts are written off to Profit and Loss account as and when the debt is determined as un-realizable as per opinion of the management.

xi. Inventories

Inventories comprises of Finished Goods, Work-In-Progress of Shrimp at Farms & Hatcheries and Stores & Spares. Finished goods are valued at lower of cost or net realizable value, Work-in-progress and Stores & Spares are valued at Cost.

Cost of Inventories also includes all other costs incurred in bringing the inventories to their present location and condition.Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

xii. Other financial assets

Other Financial Assets include MEIS Receivable by the Company as at the end of the financial year. Due to change in accounting policy with regard to income recognition of MEIS on accrual basis, an amount of Rs. 1,276 Lakhs is recognized in the Current year pertaining to earlier year. Besides, there is increase in Current year income by Rs.1,836 Lakhs due to change in the accounting policy. This resulted

in increase in Basic & Diluted EPS by Rs. 4.25 (net of taxes).

xiii. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs(if any) are included in the asset's carrying amount or recognized as a separate asset(if appropriate), only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

On Transition to IND AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2016 per the previous GAAP and use that carrying amount as the deemed cost of the property, plant and equipment.

Depreciation / Amortization of tangible assets is calculated on a Straight Line Basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. Assets costing individually rupee equivalent of Rs. 5,000 or less are fully charged off to statement of profit and loss on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

xiv. Trade and other payables

These amounts represent liabilities that are unpaid for goods provided to the Company prior to the year end.

xv. Borrowing costs

Borrowing Cost directly attributable to the acquisition, construction or production of qualifying asset is capitalized till the month in which asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

xvi. Borrowings

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

xvii. Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events that it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

These are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized, however contingent liabilities are disclosed in Note No. 30.

xviii. Employee benefits

Liabilities for Salaries and Wages to employees are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Gratuity

Gratuity is provided for the year under Defined Benefit Plan as per the Actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are adjusted to retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund & E.S.I
Expenditure pertaining to contributory provident fund and E.S.I account is changed to Profit or Loss.

xix. Contributed equity
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in Other equity as a deduction (net of tax) from the IPO proceeds.

xx. Dividend
Provision is made for the amount of any dividend declared, if any, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. However, no Provision is made as it is yet to be approved by the Shareholders.

xxi. Earnings per share
a) Basic Earnings per Share:
It is calculated by dividing the Profit attributable to the Owners of the Company by the weighted average number of equity shares outstanding during the financial year.

b) Diluted earnings per share
Diluted Earnings per Share adjusts the figures after taking into account
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming conversion of all dilutive potential equity shares.

xxii. Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

xxiii. Critical estimates & judgements
Areas involving critical estimates:
- Estimation of defined benefit obligation, refer note 24.

3. Property, plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Particulars	Land	Factory Buildings	Building Other-than Factory Buildings	Plant & Machinery	Computers	Furniture & Fixtures	Vehicles	Total	Capital Work -In-Progress	Lease Hold Land Amortisation	Grand Total
Gross Block											
Deemed Cost as at 1st April, 2016	**1,331.95**	**397.78**	**120.58**	**3,369.63**	**12.55**	**576.75**	**949.52**	**6,758.77**	**799.74**	**-**	**7558.51**
Additions	924.06	726.34	159.29	1,195.48	1.66	144.51	244.84	3,396.17	**77.57**	**-**	3473.75
Disposal	-	-	-	-	-	-	0.08	0.08	**799.74**	**-**	799.82
Closing Gross carrying amount as at 31st March, 2017	**2,256.01**	**1,124.11**	**279.87**	**4,565.11**	**14.22**	**721.26**	**1,194.28**	**10,154.86**	**77.57**	**-**	**10,232.44**
Additions	804.96	89.42	22.00	1,331.82	7.93	622.69	503.36	3,382.17	**2,090.34**	307.02	5,779.54
Disposals	-	-	-	-	-	-	-	-	**82.12**	**-**	82.12
Closing Gross carrying amount as at 31st March, 2018	**3,060.97**	**1,213.53**	**301.87**	**5,896.93**	**22.15**	**1,343.95**	**1,697.64**	**13,537.04**	**2,085.80**	**307.02**	**15,929.85**
Accumulated Depreciation/ Amortisation Balance as at 1st April, 2016	-	**55.11**	**7.53**	**741.27**	**5.92**	**101.83**	**328.88**	**1,240.53**	**-**	**-**	**1,240.53**
Depreciation/ Amortisation for the Year	-	27.71	2.67	390.03	3.34	57.95	145.48	627.17	**-**	**-**	627.17
Disposals	-	-	-	-	-	-	-	-	**-**	**-**	**-**
Balance as at 31st March, 2017	-	**82.82**	**10.20**	**1,131.30**	**9.26**	**159.77**	**474.36**	**1,867.70**	**-**	**-**	**1,867.70**
Depreciation/ Amortisation for the Year	-	38.33	4.55	506.67	3.82	97.15	185.04	835.57	**-**	29.67	865.24
Disposals	-	-	-	-	-	-	-	-	**-**	**-**	**-**
Balance as at 31st March, 2018	-	**121.14**	**14.74**	**1,637.98**	**13.08**	**256.92**	**659.40**	**2,703.27**	**-**	**29.67**	**2,732.94**
Net Carrying Amount											
As at April 01, 2016	**1,331.95**	**342.67**	**113.05**	**2,628.36**	**6.63**	**474.93**	**620.64**	**5,518.23**	**799.74**	**-**	**6,317.97**
As at March 31, 2017	**2,256.01**	**1,041.30**	**269.68**	**3,433.80**	**4.96**	**561.49**	**719.93**	**8,287.16**	**77.57**	**-**	**8,364.73**
As at March 31, 2018	**3,060.97**	**1,092.39**	**287.13**	**4,258.95**	**9.06**	**1,087.02**	**1,038.24**	**10,833.76**	**2,085.80**	**277.35**	**13,196.91**

4. Other non-current assets (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances for Capital Goods & Others	535.25	96.76	-
Advances for IPO	-	108.20	-
TDS Receivables	-	2.76	4.96
Total	**535.25**	**207.72**	**4.96**

5. Net deferred tax asset / (Liability) (Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Asset/ Liability for the Year ended March 31, 2017				
Depreciation & Amortisation	701.36	(66.85)	-	634.50
Total	**701.36**	**(66.85)**	**-**	**634.50**
Deferred Tax Asset/ Liability for the Year ended March 31, 2018				
Depreciation & Amortisation	634.50	(986.58)	-	(352.08)
Total	**634.50**	**(986.58)**	**-**	**(352.08)**

6. Inventories (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Farming and Hatchery Work-in-progress	3,925.49	2,591.40	988.14
Finished goods	5,915.76	3,613.83	4,812.96
Stores & Spares	318.70	177.23	157.59
Total	**10,159.95**	**6,382.46**	**5,958.69**

Inventory quantities & values as at Balance Sheet are as certified by the management. Shrimp Farming Work-in-Progress includes the amount spent on the Unharvested Crops at the end of reporting period.

7. Trade receivables (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Export Debtors	6,065.41	7,378.26	3,613.88
Hatchery & Other Debtors	267.47	190.37	18.03
Duty Drawback Receivable	406.01	712.63	514.31
Total	**6,738.89**	**8,281.26**	**4,146.22**

Sundry Debtors are subject to Confirmation and Reconciliation.

8. Cash & cash equivalents			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Balances with Scheduled Banks:			
Current Accounts	142.09	58.22	41.54
Margin & IPO Deposits	6,177.09	348.23	71.80
Cash in Hand	124.72	49.97	69.71
Total	**6,443.89**	**456.43**	**183.05**

9. Other financial assets			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
MEIS Receivable	1,836.04	1,276.59	1,318.59
Total	**1,836.04**	**1,276.59**	**1,318.59**

* During the year, Company has changed its accounting policy of recognising Income on Merchandise Export from India Scheme (MEIS) from Cash basis to Accrual basis. Accordingly, MEIS Receivable (including for earlier years) is recognised.

10. Other current assets			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
a. Advances - Others	421.09	566.29	451.11
b. Advances - Employees	92.94	108.14	79.16
c. Deposits and Other Receivables	1,454.29	608.34	138.61
d. Other Advances	1,608.46	768.38	599.10
e. Forward Premiums Receivable	267.78	649.46	245.74
Total	**3,844.56**	**2,700.62**	**1,513.72**

11. Equity share capital			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Authorised			
3,60,00,000 fully paid up Equity Shares of Rs.10/- each	3,600	3,600	3,600
Issued, Subscribed and Paid-up			
3,12,50,000 fully paid Equity Shares of Rs. 10/- each (31st March,2018 - 3,12,50,000; 31st March, 2017 - 2,40,00,000; 1st April, 2016 - 2,40,00,000)	3,125	2,400	2,400

(a) Reconciliation of number of shares outstanding		(Rs. in Lakhs)
Particulars	**Number of Shares**	**Amount**
Balance as at 1st April, 2016	2,40,00,000	2,400
Changes in equity share capital during the year	-	-
Balance as at 31st March 2017	**2,40,00,000**	**2,400**
Increase in equity share capital due to Fresh Issue of Equity Shares	72,50,000	725
Balance as at 31st March 2018	**3,12,50,000**	**3,125**

(b) Details of shares held by each shareholder holding more than 5% shares				
Name of Shareholder	**As at March 31, 2018**		**As at 31 March 2017**	
	No. of Shares	% Held	No. of Shares	% Held
K.S.Murthy	89,18,779	28.54	96,00,000	40.00
K.Padmavathi	40,54,853	12.97	47,04,000	19.60
K.S.Chowdary	96,04,000	30.73	96,00,000	40.00

12. Other equity			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Securities Premium Account	11,050.49	-	-
General Reserve	1,000.00	1,000.00	1,000.00
Retained Earnings	15,054.20	7,542.37	4,914.76
Total Other Equity	**27,104.69**	**8,542.37**	**5,914.76**

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Securities Premium Account		
Balance at the Beginning of the year	-	-
Add: Securities Premium on Fresh Issue of Equity Shares	11,962.50	-
Less: IPO Expenses	(912.01)	-
Balance at the end of the year	**11,050.49**	-

Particulars	As at 31st March, 2018	As at 31st March, 2017
General Reserve		
Balance at the Beginning of the year	1,000.00	1,000.00
Balance at the end of the year	**1,000.00**	**1,000.00**
Retained Earnings		
Balance at the Beginning of the year	7,542.37	4,914.76
Add: Profit attributable to the Owners of the Company	7,517.56	2,916.47
Less: Dividend (including Corporate Dividend Tax)	-	(288.86)
Less: Tax on Other Comprehensive Income	(5.73)	-
Balance at the end of the year	**15,054.20**	**7,542.37**

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act 2013.

13. Financial liabilities (Rs in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Borrowings			
Secured			
Term Loans from Banks	309.67	595.61	316.85
Vehicle Loans	291.21	66.75	-
Other Long Term Liabilities	-	1,092.98	474.54
Unsecured			
Loan From Directors and Shareholders	225.13	340.00	397.76
Total	**826.01**	**2,095.34**	**1,189.15**

* Current maturities on long-term borrowings have been disclosed under the head Other financial liabilities grouped under current liabilities.

Secured borrowings

i. Term Loans from Banks: As at the end of the period, the Company has a secured term borrowings of Rs. 585.49 Lakhs from Bank of India & HDFC Bank excluding Vehicle Loans. The same has been classified under Non-current Financial Liabilities (Rs. 309.67 lakhs) and Other Current Financial Liabilities (Rs. 275.82 lakhs).
ii. Primary Securities:
a. Term Loan-I from Bank of India, Kakinada Branch has an outstanding balance of Rs. 57.70 lakhs as on 31st March, 2018, which is secured by way of first charge of Company's Land, Buildings and Plant & machineries.
b. Term loan – II from Bank of India, Kakinada Branch has an outstanding balance of Rs. 8.05 lakhs as on 31st March, 2018, which is secured by way of first charge on Company's Land, Building and Plant & machineries.
c. Term loan – III from Bank of India, Kakinada Branch has an outstanding balance of Rs. 94.37 lakhs as on 31st March, 2018, which is secured by way of first charge on Machinery of the Company.
d. Term loan – IV from HDFC Bank, Kakinada Branch Rs. 425.37 lakhs is outstanding as on 31st March, 2018, which is secured by Property situated near D.No. 2-56, R.S.No. 389/1, Korangi Village, Tallarevu Mandal comprising of Land, Building and Plant & Machinery.
iii. Vehicle Loans
a. The Company has availed term loans for Vehicles from Banks and financial Institutions with tenor ranging from 36 to 38 Installments. As on 31st March, 2018, the Company has total such loans of Rs. 508.14 lakhs of which Rs. 216.93 lakhs has been classified under Other Financial liabilities under Financial Liabilities and Rs. 291.21 lakhs has been classified under Non-current Financial Liabilities.

iv. Other Long-term Liabilities
a. Other Long-term Liabilities includes loan from Life Insurance Corporation of India.

14. Other non-current liabilities (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Non-Current Liabilities	184.05	-	-
Total	184.05	-	-

15. Current liabilities
(a) Financial liabilities - borrowings (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Working Capital Loans From Bank of India	5,286.05	6,488.34	6,418.36
Working Capital Loans From HDFC Bank Limited	1,938.46	1,986.13	-
Total	**7,224.52**	**8,474.47**	**6,418.36**

The company has been availing its Working Capital requirements from Bank of India and HDFC Bank. Working Capital limits utilised as at the yearend are as per the above table, while the total working capital limits sanctioned by the bank are in the table given below.

Name of the Bank	Nature of Borrowing	Limits as at	
		31st March, 2018	31st March 2017
Bank of India	EPC	3,000	3,000
Bank of India	SWC	1,500	1,500
Bank of India	FBP	2,500	2,500
HDFC	PCFC	3,000	2,000
Total		**10,000**	**9,000**

EPC - Export Packing Credit
SWC - Standby Working Capital
FBP - Foreign Bill Purchase
PCFC - Packing Credit Foreign Currency
PCFC limit @ 50% of the EPC limits and SWC Limit
Working Capital facilities from the Banks are secured by hypothecation by way of first charge on the following assets of the company:

Primary security
Exclusive charge on Current assets of the Company by way of hypothecation of stocks of raw material, work in process, finished goods.

Collateral securities

Equitable mortgage of residential land & building owned by Mr. K.S.Murthy, Managing Director of the company situated at D.No.2.23.14/1, Ward no.2, Block No.2, Sarada Street, Srinagar, Kakinada.
Equitable mortgage of residential land and building owned by Mr. K.S.Murthy, Managing Director of the company extent of 477.20 sq.yards situated at D.No.7-30, Seetharamapuram Sivaru, Tallarevu Mandal, East Godavari District.
Equitable mortgage of agricultural land owned by Mrs. K.Padmavathi, Shareholder of the Company extent of 12 acres situated at Survey No.273, 274 & 275, S.Yanam Village, Uppalaguptham Mandal, East Godavari District.
Factory land and building and plant and machinery situated vide Survey No.214, 271/5, 271/4 at Panasapadu village, Achampeta Panchayat, Samalkota Mandal and at Tallarevu vide Survey No.389/1 that are shown as principal security for the Term loans have been obtained as collateral security for the working capital limit.

Guarantors

1. Mr. K.S. Murthy
2. Mr. K.S. Choudary
3. Mrs. K. Padmavathi

16. Trade payables (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Creditors for Raw materials	1,524.38	2,189.24	784.05
Creditors for Stores & Expenses			
Packing Material Suppliers	138.03	162.88	177.79
Creditors for Expenses	993.15	736.87	651.71
Total	**2,655.56**	**3,088.99**	**1,613.55**

* Credit Balances are subject to confirmation and Reconciliation.
In the absence of necessary information relating to the registration status of suppliers under the Micro, Small and medium Enterprises development Act, 2006, the information required under the said Act could not be complied and disclosed.

17. Other financial liabilities (Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Current Maturities of Long-term Borrowings (refer note 13)			
From Bank of India - Term Loan - I	57.70	107.20	134.00
From Bank of India - Term Loan - II	8.05	49.92	54.08
From Bank of India - Term Loan - III	49.92	49.92	54.08
From HDFC Bank Ltd - Term Loan - IV	160.15	175.38	-
From Kotak Mahindra Bank - Vehicle Loans	155.49	-	37.76
From HDFC Bank - Vehicle Loans	61.44	61.25	34.17
Total	**492.75**	**443.67**	**314.09**

18. Provisions			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Other Provisions	913.13	1,637.62	625.30
Total	**913.13**	**1,637.62**	**625.30**

19. Current tax liability (Net) & provisions			(Rs. in Lakhs)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Provision for Taxation (Net of Advance Tax)	581.86	352.84	266.63
Total	**581.86**	**352.84**	**266.63**

Revenue

20. Revenue from operations		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Sales of Products	92,411.26	65,939.23
Export Benefits (Net)	7,452.14	3,930.27
Total	**99,863.40**	**69,869.50**

Revenue from operations

Sale of products

a. Export Sales are accounted for as and when Sale Invoices are raised as per RBI reference rate on the date of invoice. The difference if any between negotiation / realization rate and exchange rate of invoice is accounted as foreign exchange difference on receipt of particulars from negotiating bank.

b.The company during the year, besides processing and exporting of Shrimp has developed Hatcheries and the sales above include seed sales. Sales also includes sale of scrap arising out of processing of Shrimp.

Export benefits

a. Company is entitled for Duty Draw Back @ Rs. 21.60 p. per Kg (Previously Rs.32.00 per Kg.) Or 2.70% (previously 4%) on FOB (whichever is lower) of Exports done. Accordingly, income on account of Duty Draw Back is recognized for Sale Invoices raised up to 31-03-2018 at the applicable rate.

b. Company is also entitled for Merchandise Exports from India Scheme (MEIS) from D.G.F.T. As per the scheme, company is eligible for grant of Duty Credit Scrip from D.G.F.T. The said Scripts are in turn, encashed by way of sale to importers at agreed rate. The Company during the year has changed the accounting policy of recognizing the Income on MEIS from Cash basis to accrual basis.

21. Other income		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Interest Income on		
Fixed Deposits	187.96	20.30
Others	-	0.07
Surplus from Foreign Currency Fluctuation	1,799.47	1,036.16
Total	**1,987.43**	**1,056.52**

Expenses

22. Cost of materials		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Raw Material Purchases	62,670.78	45,787.88
In House Shrimp Farming & Hatchery Expenses	11,413.72	7,805.75
Total	**74,084.50**	**53,593.64**

23. Changes in inventories		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Opening Stocks		
Farming and Hatchery Work-in-Progress	2,591.40	988.14
Finished Goods	3,613.83	4,812.96
Stores & Spares - Packing Material & Chemicals	177.23	157.59
Total	**6,382.46**	**5,958.69**
Closing Stocks		
Farming and Hatchery Work-in-Progress	3,925.49	2,591.40
Finished Goods	5,915.76	3,613.83
Stores & Spares - Packing Material &Chemicals	318.70	177.23
Total	**10,159.95**	**6,382.46**
Increase / Decrease	**(3,777.49)**	**(423.77)**

Inventories include the unsold finished goods produced at both the production locations i.e., Kakinada and Bapatla and work in progress includes the cost incurred on un-harvested shrimp farms and Hatcheries while stores and spares included chemicals and packing material.

24. Employee benefit expenses

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Salaries , Wages & Other Benefits	2,233.42	1,041.85
Contribution to Funds	171.95	104.30
Director's Remuneration	461.00	491.60
Staff Welfare Expenses	121.82	83.00
Employee and Employer's Insurance Scheme	904.13	771.34
Total	**3,892.31**	**2,492.08**

25. Finance cost

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest Expense		
Term Loans	45.46	62.76
Working Capital	559.71	751.95
Others	122.88	168.27
Bank Charges	141.91	139.04
Total	**869.96**	**1,122.02**

Interest on Others includes Interest on LIC of Rs. 78.37 lakhs, Interest on vehicle loans of Rs. 30.01 lakhs and Other Interest expenditure.

26. Depreciation and amortisation expense & others

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Depreciation on Property, Plant & Equipment	835.57	627.17
Amortisation of Leasehold Land Development	29.67	-
Total	**865.24**	**627.17**

27. Depreciation and amortisation expense & others (R.s in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Manufacturing Expenses		
Inward Transport Charges	1,146.46	755.18
Purchase Expenses	127.51	81.34
Electricity Charges	884.89	651.26
Generator Diesel & Maintenance	89.85	65.97
Repairs & Other Maintenance	192.60	108.05
Ice Purchase	211.01	127.12
Wages	941.63	1,009.79
Plant Maintenance	1,412.44	1,051.01
Machinery Maintenance	131.66	66.15
Freezing & Storage Expenses	89.93	40.20
Uniform Expenses	30.51	21.56
Water Charges	21.33	11.69
Rents	14.17	11.55
Sample Testing Expenses	93.03	64.60
Security Expenses	47.12	41.92
Processing Charges	1,649.76	1,002.37
Lab Maintenance	30.33	22.97
Administrative & Selling Expenses		
Rates & Taxes	470.62	257.84
Export Expenses	3,170.02	1,681.95
Other Expenses	21.71	9.18
Survey Charges	29.26	21.93
Loading & Unloading Charges	41.23	28.31
Business promotion expenses	90.05	84.15
Vehicle Maintenance	123.93	131.71
Printing & Stationery	28.75	24.54
Computer Maintenance	4.78	4.68
Travelling & Conveyance	92.25	68.21
Consultancy & Certification Fee	167.87	104.32
Statutory & Tax Audit Fee	6.59	6.00
News Papers & Periodicals	0.30	0.09
Telephones	13.56	21.30
Membership & Subscriptions	6.00	26.05
Bad debts	52.59	-
Insurance Premium	400.21	365.94
Stores & Spares	2,763.06	1,750.24
CSR Expenses	64.00	52.06
Total	**14,660.98**	**9,771.25**

28. Earnings per share		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Profit available for Equity Shareholders	7,910.05	2,512.68
Weighted average number of Equity shares outstanding for Basic EPS	282.29	240.00
Weighted Average number of potential equity shares, Warrants and ESOP's outstanding	NIL	NIL
Weighted average number of Equity shares outstanding for Diluted EPS	282.29	240.00
Earnings per Share*		
Basic (Rs.)	28.02	10.47
Diluted (Rs.)	28.02	10.47

Note: There is no dilution to basic earnings per share as there are no dilutive potential equity shares.

24. Employee benefits:

i. Post-employment benefit obligation gratuity

The Company provides for gratuity for employees in India as per the Payment of 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 employee's last drawn basic salary per month computed proportionately for 15days salary multiplied for the number of years of service.
The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows.

Changes in present value of obligation		(Rs. in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Present Value of Obligation as at the beginning	34.84	-
Current Service Cost	24.76	34.84
Interest Expense or Cost	2.44	-
Actuarial (gain)/ loss on obligations	(15.95)	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	46.09	34.84

Changes in fair value of plan assets		(Rs in Lakhs)
Particulars	**For the Year Ended 31st March, 2018**	**For the Year Ended 31st March, 2017**
Fair Value of Plan Assets at the beginning	15.48	-
Acquisition Adjustments	(2.01)	(1.09)
Expected Return on Plan Assets	1.08	-
Contributions	11.63	16.47
Actuarial Gain /(loss) on Plan Assets	0.60	0.09
Fair Value of Plan Assets as at the end	**26.77**	**15.48**

Expenses recognised in the income statement (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Service Cost	24.76	34.84
Past Service Cost	-	-
Expected Return on Plan Assets	(1.08)	-
Interest Cost	2.44	-
Total Expenditure recognised in Income Statement	**26.11**	**34.84**

Expenses recognised in other comprehensive income (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(Gain)/Loss due to Change in demographic assumptions	-	-
(Gain)/Loss due to Change in financial assumptions	(3.35)	2.61
Actuarial (gain)/ loss on obligations - Experience Variance	(12.60)	(2.61)
Total Actuarial (gain)/ Loss on obligations	(15.95)	-
Actuarial Gain /(loss) on Plan Assets	0.60	0.09
Total Expenditure recognised in OCI	**(16.55)**	**(0.09)**

Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit plans are as follows:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount Rate (per annum)	7.88%	7.00%
Salary Escalation Rate (per annum)	5.00%	5.00%
Employee Attrition Rate		
Age at Valuation date:		
18-30	10.00%	10.00%
31-40	5.00%	5.00%
40+	1.00%	1.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2006-08)	IALM (2006-08)

Sensitivity analysis		(Rs. in Lakhs)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Defined Benefit Obligation (base)	46.09	34.84
Discount rate:(% change compared to base due to sensitivity)		
Increase: +1%	42.73	6.34
Decrease: -1%	49.93	7.53
salary growth rate:(% change compared to base due to sensitivity)		
Increase: +1%	49.99	7.90
Decrease: -1%	42.61	6.02
Attrition rate:(% change compared to base due to sensitivity)		
Increase: +50%	53.69	8.23
Decrease: -50%	35.65	5.27
Mortality rate:(% change compared to base due to sensitivity)		
Increase: +10%	46.43	6.93
Decrease: -10%	45.74	6.86

Payments to auditor		(Rs. in Lakhs)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Statutory Audit Fees	4.00	4.00
Tax Audit & Related Matters	2.00	2.00
Other Matters	15.00	0.00

29. Corporate social responsibility expenditure (Rs. in Lakhs)

Expenditure related to CSR as per Section 135 of Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of Rs.64 lakhs (Previous year Rs. 52.06 lakhs).

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Revenue Expenditure spent on CSR Activities	31.60	-
Total	**31.60**	-

30. Contingent liabilities

Bank Guarantees:
The Company has provided Bank guarantees to the tune of Rs. 21.64 Lakhs
Stand-by-Letter of Credit: Rs. 695.97 Lakh
Letter of Credit: Rs. 1,064.38 Lakh

Export obligations

Export Obligations on FOB Value of sales amounting to Rs. 24.32 Lakhs under E.P.C.G. Scheme is pending as on 31st March, 2018.

31. Additional information pursuant to the provisions of paragraph Viii (a), Viii (b) & Viii (e) of Part II of Schedule III to the Companies Act 2013.

CIF value of imports (Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Raw Materials	0.00	0.00
Capital Goods & Maintenance Spares	465.14	259.30
Total	**465.14**	**259.30**

Earnings in foreign currency (on accrual basis) (Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
FOB Value of Exports	89,120.11	63,280.42

Expenditure in foreign currency (USD in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Administration and Selling Expenses	53.65	34.14
Stores and Spares Consumed	4.72	4.09
Financial Expenses	0.25	0.14
Exhibition & Others	NIL	NIL
Dividend to Non Resident Shareholders (No.of Shares)	NIL	NIL

32. Related party disclosures

Related parties and nature of relationship :

NIL
NIL

Key management personnel :

K. Satyanarayana Murthy	Chairman & Managing Director
K. SubrahmanyaChowdary	Executive Director
Smt. K.Neelima Devi	Director

Related party transactions				(Rs. in Lakhs)
Name of the Party	**Relationship**	**Nature of Transaction**	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
K.S. Murthy	KMP	Total Remuneration Un-secured Loan Payable	168.00 190.00	175.10 190.00
K.S. Chowdary	KMP	Total Remuneration Un-secured Loan Payable	168.00 25.13	175.10 140.00
K. Padmavathi	Relative of KMP	Total Remuneration Un-secured Loan Payable	0.00 0.00	76.63 0.00
K. Neelima Devi	KMP	Total Remuneration Un-secured Loan Payable	125.00 10.00	64.77 10.00
Ch. Vijaya Kumar	CFO	Remuneration	8.00	1.49
S. Sarojini	Company Secretary	Remuneration	1.90	1.20

33. First-time IND AS adoption reconciliations

These are the Company's first financial statements prepared in accordance with IND AS.

The accounting policies set out in Note No. 2 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements in the preparation of an opening IND AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its Opening IND AS Balance Sheet, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). An explanation of how the transition from previous GAAP to IND AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable IND AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IND AS.

1) IND AS optional exemptions

a) 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 recognized in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments. Accordingly, the company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

2) IND AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with IND ASs at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP.(after necessary adjustments to reflect any difference in accounting policies).

B. Reconciliations between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to IND AS.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016 (Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Total Equity as per previous GAAP	9,494.38	7,342.76
Add:		
Increase in reserves due to change in accounting policy	1,276.59	1,318.59
Fair valuation of forwards	649.46	245.74
Deferred tax income/(expense) on temporary differences	(478.06)	(592.33)
Total Equity as per IND AS	**10,942.37**	**8,314.76**

Reconciliation of total comprehensive income for the year ended 31st March, 2017 (Rs. in Lakhs)

Particulars	31st March, 2017
Net profit or loss as per previous GAAP (Indian GAAP)	**2,440.48**
Additional income due to change in Accounting Policy	(42.00)
Remeasurements of Defined Benefit plans	(0.09)
Unrealised gains/losses on forward contracts	403.72
Deferred Tax on temporary differences	114.26
Total adjustments	475.89
Profit after tax as per IND AS	**2,916.37**
Other Comprehensive Income	0.09
Total Comprehensive Income as per IND AS	**2,916.47**

Impact of IND AS adoption on the statement of cash flows for the year ended 31st March, 2017 (Rs. in Lakhs)

Particulars	Previous GAAP	Adjustments/ Reclassification	IND AS
Net Cash Flow from Operating activities	1,439.24	0.00	1,439.24
Net Cash Flow from Investing activities	(2,856.32)	0.00	(2,856.32)
Net Cash Flow from Financing activities	1,690.45	0.00	1,690.45
Net increase/decrease in cash and cash equivalents	273.38	0.00	273.38
Cash and Cash equivalents as at 1st April, 2016	183.05		183.05
Cash and Cash equivalents as at 31st March, 2017	**456.43**	**0.00**	**456.43**

C. Notes to first-time adoption

Note: 1 - Deferred tax

Under previous GAAP, deferred tax expense/ credit were recognized on timing differences between book profits and taxable profits. Under IND AS, deferred tax is required to be recognized on all temporary differences.

Accordingly, the management has recognized deferred tax liability of Rs.634.50 lakhs as at 31st March, 2017 (1st April, 2016 - deferred tax Liability of Rs.701.36 lakhs) on the above transition adjustments with a corresponding impact on retained earnings. Further, the deferred tax expense for the year ended 31st March, 2017 has decreased by Rs.66.85 lakhs.

Note: 2: Re-measurements of post-employment benefit obligations

Under IND AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 decreased by Rs.0.09 lakh. There is no impact on the total equity as at 31st March 2017.

Note 3: 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 remeasurements of defined benefit plans. This concept did not exist under previous GAAP.

Note 4: Retained earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above IND AS transition adjustments.

Note 5: Reclassifications

The previous GAAP figures have been reclassified to conform to IND AS presentation requirements.

34. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

Notice of Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting of the members of APEX FROZEN FOODS LIMITED will be held on Saturday, 22nd day of September, 2018 at 10.30 A.M at Hotel Grand Kakinada by GRT Hotels, D.No: 11-3-11, Veterinary Hospital road, Ramaraopeta, Kakinada -533004, Andhra Pradesh to transact with or without modification(s), as may be permissible, the following items of business:

Ordinary business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To declare final dividend of Rs. 2.00/- (20%) per equity Share of Rs. 10/- each to the shareholders for the FY 2017-18.

3. To appoint a director in place of Mr. K. Subrahmanya Chowdary (DIN 03619259), who retires by rotation and being eligible, offers himself/herself for re-appointment.

4. To Ratify the appointment of Statutory Auditors of the Company
   To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution:

   "**Resolved that** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the appointment of M/S. Boda Ramam & Co., Chartered Accountants, Kakinada, (Firm Reg No. 005383S), which was approved at the Annual General Meeting held on 30.09.2014, for a period of 5 years, be and is hereby ratified for the Financial Year 2018-19, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses."

By order of Board of Directors
For Apex Frozen Foods Limited

Sd/-
K Satyanarayana Murthy
Chairman & Managing Director
DIN 05107525

Date: 13.08.2018
Place: Panasapadu, Kakinada

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Proxies, in order to be effective, must be received at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.

4. The notice of Annual General Meeting will be sent to the members, whose name appears in the Register of members / depositories as at closing hours of business on 24.08.2018.

5. Details in respect of Director seeking appointment / re-appointment at the Annual General Meeting are given at the end of this Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

6. Register of Members and Share Transfer Books of the Company shall remain closed from **Monday, 17th September 2018 to Friday 21st September 2018** (both days inclusive) for annual closing and determining the entitlement of the shareholders for the payment dividend for Financial year 2017-18, if declared, at the Annual General Meeting.
If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting, the payment of such dividend will be made on or before 21st October 2018, as under:

i. to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose as at the end of business hours on 15th September, 2018.
ii. to all Members in respect of Shares held in physical form, after giving effect to valid share transfers lodged with the Company's Registrar on or before 10th September 2018.

7. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.
In case you are holding Company's shares in physical form, please inform Company's RTA viz. **Bigshare Services Pvt. Ltd.** having their address at "1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East,Mumbai- 400059" by enclosing a photocopy of blank cancelled cheque of your bank account.

8. In case of joint holders attending the meeting, only such joint holder who is first in order of names will be entitled to vote.

9. M/s. Bigshare Services Pvt. Ltd, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059, the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.

10. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.

11. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

12. Members attending the Meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

13. As required under the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed hereto.

14. Members desiring any information as regards the Accounts are requested to write to the Company at least seven days in advance so as to enable the Management to keep the information ready at the Meeting.

15. In accordance with the provisions of Section 101 and other applicable provisions, if any of the Companies Act, 2013, read with Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended, the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by email to those Members who have registered their email addresses with their DP (in case of shares held

in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email ids are not registered, physical copies of the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by permitted mode.
Members may also note that the Notice of the 6th Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website
www.apexfrozenfoods.in

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.

17. The facility for voting through poll shall also be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Annual General Meeting.

18. The Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

19. The Company has appointed Mr. A.S.Ramkumar and / or Mr.M. Arun, partner of M/s. A.S.Ram Kumar & Associates, Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-Voting process, in a fair and transparent manner.

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.

21. The Scrutinizer will collate the votes cast at the AGM, votes downloaded from the e-voting system and make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

22. The results declared along with the Scrutinizer's Report shall immediately be placed on the Company's website www.apexfrozenfoods.in and will be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

23. E-voting

The business as set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 6th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.
The Members whose names appear in the Register of Members / List of Beneficial Owners as on 15th September 2018 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.
The e-voting period will commence on Wednesday, 19th September 2018 (09:00 hrs) and will end on Friday, 21st September, 2018 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.
The Company has appointed Mr.A.S. Ramkumar and/or Mr.M.Arun, partners of M/s. A.S.Ram Kumar & Associates, Company Secretaries, to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

Procedure for e-voting

Instructions for members for voting electronically are as under:

(i) The voting period begins on 19.09.2018 at 9.00 A.M. and ends on 21.09.2018 AT 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website **www.evotingindia.com.**

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and click on Login.

(v) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user, follow the steps given below:

For members holding shares in demat form and physical form	
Pan	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (The sequence number is printed on the address leaf of the Annual Report). • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001in the PAN field.
Dividend bank details or date of birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member ID/ folio number in the Dividend Bank details field as mentioned in instruction (iii).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant APEX FROZEN FOODS LTD. on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for non – individual shareholders and custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General instructions:

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 15.09.2018

ii. Members can opt for only one mode of voting, i.e., either by physical voting at venue or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Physical voting at venue will be treated as invalid.

iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, Mr. A.S.Ramkumar or Mr.M.Arun at the Registered Office of the Company so as to reach on or before the conclusion of the 6th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to cs@apexfrozenfoods.com by mentioning their Folio No. / DP ID and Client ID.

iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.

v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

vi. The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through remote e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.apexfrozenfoods.in and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

vii. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within two days of the AGM.

By order of Board of Directors
For Apex Frozen Foods Limited

Sd/-
K Satyanarayana Murthy
Chairman & Managing Director
DIN 05107525

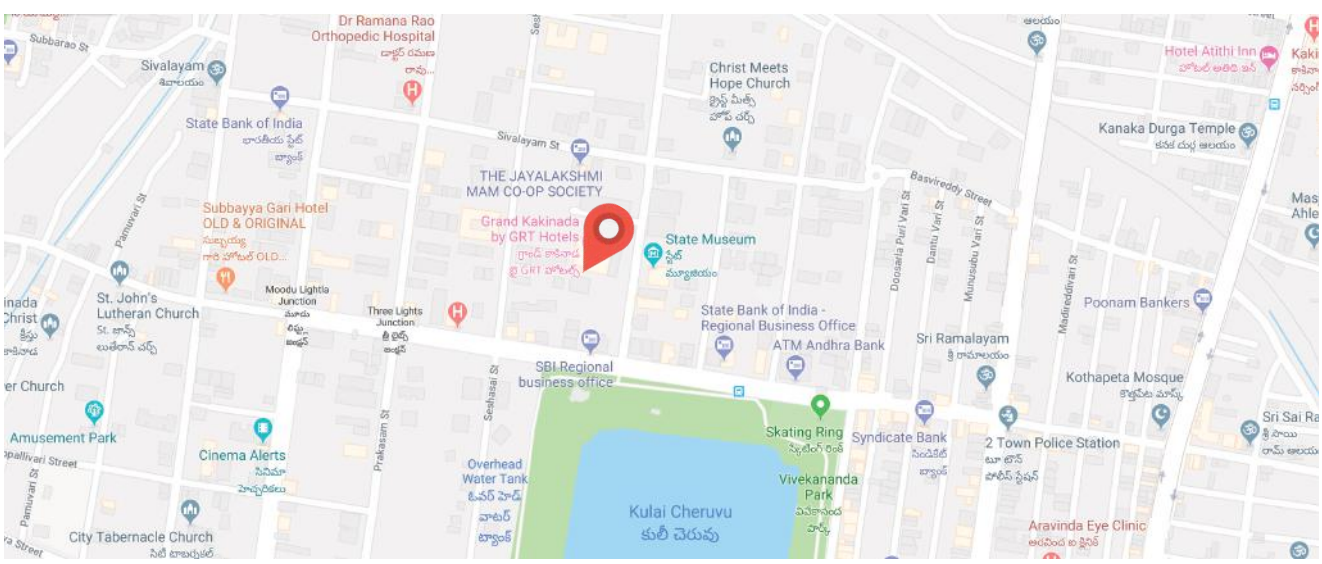
Place: Panasapadu, Kakinada
Date: 13.08.2018

Details of directors seeking re-appointment at the forthcoming annual general meeting

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 of General Meetings].

Name of the Director	**K Subrahmanya Chowdary**
Date of Birth	02.12.1979
Date of Appointment	30.03.2012
Qualifications	B.Com
Relationship between Directors inter-se	**K. S. Murthy** – Father **K. Neelima devi** –Wife
Expertise in specific functional area	13 years in aquaculture industry. He has played a significant role in the development of our business. He is involved in the business operations and marketing activities of Company.
Directorship in other listed companies	Nil
Membership / Chairmanships of committees of Other Boards (other than the Company)	Nil
Remuneration Drawn For the FY 2017-2018	Rs. 168.00 lakhs
Share holding as on 31.03.2018	96,04, 000 (30.73%)

Route map for AGM Venue



Venue and land Mark:

Grand Kakinada by GRT Hotels, D.No: 11-3-11, Veterinary Hospital road, Ramaraopeta, Kakinada -533004, Andhra Pradesh.

Apex Frozen Foods limited

Registered office: 3-160, Panasapadu, Kakinada, East Godavari District - 533005, Andhra Pradesh
(CIN: L15490AP2012PLC080067)

Attendance Slip
(Please present this slip at the meeting venue)

I/We hereby record my/our presence at the 6th Annual General Meeting of the Company on Saturday, 22nd day of September, 2018 at 10.30 A.M at Grand Kakinada by GRT Hotels, D.No: 11-3-11, Veterinary Hospital road, Ramaraopeta, Kakinada -533004, Andhra Pradesh and any adjournment thereof.

Signature of the Shareholder(s)/Proxy's: _____

Shareholders/Proxy's Full Name (In Block Letters): _____

Folio No. /Client ID: _____ No. of Shares Held: _____

Notes:
1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy from as the case may be meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.
3. A Proxy need not be a member of the company.
4. In case of joint holders, the vote of the senior who tends a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

Form_MGT—11

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014)

CIN : L15490AP2012PLC080067
Name of the company : APEX FROZEN FOODS LIMITED
Registered office : 3-160, Panasapadu, Kakinada-533005,
East Godavari District-533005, Andhra Pradesh.

Name of the member (s) .....

Registered address .....

E-mail Id .....

Folio No/ Client Id .....

DP ID .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name .....

Address .....

E-mail Id .....

Signature .....

or failing him

2. Name .....

Address .....

E-mail Id .....

Signature .....

or failing him as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the company, to be held on Saturday, 22nd day of September, 2018 at 10.30 A.M at Grand Kakinada by GRT Hotels, D.No: 11-3-11, Veterinary Hospital road, Ramaraopeta, Kakinada -533004, Andhra Pradesh any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolution
1	To Receive, Consider and Adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss, Notes to Accounts and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon
2	To Declare final dividend of Rs.2.00/- (20%) per equity Share of Rs.10/- each to the shareholders for the Financial year 2017-18.
3	To Appoint a Director in place of Mr. K. Subrahmanya Chowdary (DIN 03619259), who retires by rotation and being eligible, offers himself for re-appointment.
4	To Ratify the Appointment of Statutory Auditors of the Company

Signed this _____ day of September 2018

Signature of shareholder Signature of Proxy holder(s)

Affix Rs.1/- Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.

APEX
FROZEN FOODS LTD

Registered office & Corporate office

Apex Frozen Foods Limited
3-160, Panasapadu, Kakinada,
East Godavari District,
Andhra Pradesh - 533005.
Ph: 0884 - 2383902/3/4
Email: info@apexfrozenfoods.com
Website : www.apexfrozenfoods.in
CIN: L15490AP2012PLC080067