

SHARAT INDUSTRIES LIMITED



27th Annual Report 2016-2017

BOARD OF DIRECTORS

- | | | |
|----|---------------------|--|
| 1. | Mr. S. Prasad Reddy | Chairman & Managing Director (CMD) |
| 2. | Mr. Veerraju Manda | Independent Director |
| 3. | Mr. M.B.R.Prasad | Independent Director |
| 4. | Mr. S. Sharat Reddy | Whole Time Director (ED) |
| 5. | Mrs. S. Charita | Woman Director - up to 30.05.2017 |
| 6. | Mrs. Durga Thota | Woman Independent Director From 15.07.2016 |

BANKERS

THE FEDERAL BANK LIMITED

AUDITORS

M/s P.A. REDDY & CO.,
Chartered Accountants

INTERNAL AUDITORS

M/s Rao & Sharma,
Chartered Accountants

REGISTERED OFFICE & FARM

VENKANNAPEM VILLAGE,
T.P. Gudur Mandal,
Nellore District,
Andhra Pradesh.

CORPORATE OFFICE

Flat No. 4, Third Floor, Pallavi Apartments,
No.57/11, HDFC Bank Compound,
First Main Road. R.A. Puram,
CHENNAI – 600 028.
Web Site: www.sharatindustries.com

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SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)

Regd Office: Venkannapalem Village,T.P. Gudur Mandal, Nellore District, Andhra Pradesh

NOTICE

NOTICE is hereby given that the **Twenty Seventh Annual General Meeting** of the Members of the Company will be held on **Thursday, the 28th September, 2017**, at 10.00 a.m. at the Registered Office of the Company at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Sharat Reddy (DIN: 02929724), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act 2013 read with the Companies(Audit and Auditors) Rules 2014 made thereunder M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No: 009805S), be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of Twenty Seventh Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the company, on such remuneration as may be agreed between the Board of Directors and Auditors of the company, in addition to applicable taxes, travelling and other out of pocket expenses actually incurred by them, subject to ratification of the appointment at every Annual General Meeting by the members.

SPECIAL BUSINESS

4. **REAPPOINTMENT AND REVISION OF REMUNERATION OF MR. S. SHARAT REDDY AS WHOLETIME DIRECTOR :**

To Consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT Pursuant to provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, consent of the members be and is hereby accorded for re-appointment of Mr. S. Sharat Reddy (DIN: 02929724) as Wholetime Director of the Company for a further period of Three (3) years from 1st April, 2017 on the following terms and conditions mentioned below.

(a) Salary : Rs.4,00,000 - Rs.50,000 - Rs.5,00,000 per month

Other Perquisites:

1. Leave travel concession: For self and family, once in a year incurred in accordance with the rules specified by the company.
2. Payment of provident fund on salary
3. Provision for payment of Gratuity as per the rules of the company.
4. Encashment of leave at the end of the tenure

Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges if any from time to time as available to other Sr. Executives of the Company.

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year, during his tenure as Wholetime Director, minimum remuneration shall alone be paid as prescribed under provisions of the Companies Act, 2013 and Schedule V.

"RESOLVED THAT the Board of Directors of the Company (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorised to revise, amend, alter, and vary the remuneration and other terms and conditions of the appointment of Mr. S. Sharat Reddy, in such manner as may be permissible in accordance with the Provisions of the Act or any modification or enactment thereto (which shall not exceed limits given above in a financial year) and as may be agreed to by and between the Board of Directors and Mr. S. Sharat Reddy, without any further reference to the shareholders in General Meeting.

THAT the Board of Directors of the Company be and is hereby authorised to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act as may be prevailing, and also to settle any question, difficulty or doubt that may arise in this regards without requiring to secure any further consent or approval of the shareholders of the company

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2017

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the company. The instrument of Proxy in order to be effective should be deposited at it's Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 shareholders.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2017 to 28th September 2017.(both days inclusive)
3. An explanatory statement pursuant to section 102(1) of the companies act, 2013 in respect of special business is annexed hereto.
4. Members are requested to immediately intimate any change in their address registered with the company.
5. The company's equity shares are listed with Bombay Stock Exchange Ltd.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable consolidation of their shareholdings in one folio.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Brief resume of all Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, Names of Companies in which they hold Directorships as stipulated under Regulation 36(3) of the SEBI Listing Obligations and Disclosure Requirements Regulations,are annexed hereto. The concerned Directors have furnished the requisite declarations for their appointment/reappointment.
9. The Securities and exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their details to the company.
10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
11. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.sharatindustries.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh,for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. Voting through Electronic means :
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing regulations, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the twenty fifth Annual General Meeting (AGM) by electronic means and the business may be transacted through e- voting services provided by CSDL.

- (ii) The voting period begins on 25-09-2017 at 9.00 a.m. and ends on 27-09-2017 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 24-09-2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ◆ 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.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label ◆ 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 RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ◆ Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (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 Corporates.
 - ◆ 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 they have to create 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.

- (xx) 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.

Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM Nos.:4

At the Annual General Meeting held on 30th September 2014, pursuant to provisions of Sections 196 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), appointed Mr. S. Sharat Reddy (DIN: 02929724) as a Whole-time Director designated as Executive Director of the company for a period of 3(Three) years with effect from 01.04.2014. Now the Board proposes to re-appoint Mr. S. Sharat Reddy as whole time Director for a further period of 3 years with effect from 01.04.2017.

Since his appointment, Mr. S. Sharat Reddy was fully involved in the operations of the company and putting all his time and efforts to improve the performance of the company. He has gained experience in all the key areas of management.

Mr. S. Sharat Reddy is Post Graduate in Industrial Engineering and Operations Research from Pen State University, U.S. A and his Technical Capabilities are very much useful for the development of the company.

Now the company is under progression and the Board of Directors of the company is utilizing his services at this crucial juncture by re-appoint him as Whole time Director of the company with effect from 01.04.2017 and pay him the remuneration as per the Schedule V of the Companies Act, 2013, and other applicable provisions.

The Nomination and Remuneration Committee and Board of Directors of the Company at their meetings held on 14.08.2017, subject to approval of the members in General Meeting, approved the appointment of Mr. S. Sharat Reddy as Whole time Director/ Executive Director of the Company for a period of three years w.e.f. 01.04.2017 and his remuneration

The Board recommends that the resolution being item No.4 of the convening notice for his reappointment be passed

MEMORANDUM OF INTEREST:

Mr.S. Sharat Reddy is interested or concerned in the resolution. Apart from him, Mr. S. Prasad Reddy, Managing Director, who is a relative is also deemed to be concerned in the resolution.

None of the other Directors, key managerial personnel and their relatives are interested or concerned, financially or otherwise, in the resolution.

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPALEM
DATE: 14th August 2017

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

I. General Information pursuant to the Second Proviso (iv) to Section II (B) of Part II of Schedule V

The General Information to be given to the shareholders in connection with the appointment of Mr. S. Sharat Reddy as Whole time Director and the remuneration payable to him:

1. Nature of Industry : Integrated Aqua Industry
2. Date of commencement of commercial production : 07-05-1990
3. In case of New companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators: Not applicable
5. Export performance and net foreign exchange: The Company makes an export turnover of Rs. 1,02,45,89,037/- during the year.
6. Foreign Investments or collaborations, if any: Nil

II. Information about the Appointee:

Appointment of Mr. S. Sharat Reddy as Whole-time Director:

1. Background details: Mr.S. Sharat Reddy was on the Company's Board of Directors from 31st January, 2013. He is a Post Graduate in Industrial Engineering and Operations Research from Pen State University, U.S.A and his Technical Capabilities are very much useful for the development of the company.
2. Past Remuneration: NIL
3. Recognition or awards: Mr.S. Sharat Reddy was appointed as Director of the company from on 31.01.2013 and appointed as Whole time Director from 01.04.2014. Since his appointment, Mr. S. Sharat Reddy was fully involved in the operations of the company and putting all his time and efforts to improve the performance of the company. He has gained experience in all the key areas of management. He is Instrumental in running the company efficiently
4. Job Profile and his suitability: Mr.S. Sharat Reddy is the Promoter Director of the Company for last Four years. In view of his qualification, dedication and involvement, Mr. S. Sharat Reddy is ideally suited to hold the position of Whole time Director.
5. Remuneration proposed: As set out in resolution No.4 of the Notice convening this Annual General Meeting.
6. Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person: There are very few companies which survived in the organized sector and comparable figures are difficult to ascertain and the proposed salary is reasonable.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr.S. Sharat Reddy has no direct or indirect pecuniary relationship with the Company excepting his remuneration and reimbursement of out of pocket expenses incurred wholly and exclusively

for the company's business. He is related to Mr. S. Prasad Reddy, Managing Director.

III. Other Information:

1. Reasons for loss or inadequate profit: Losses incurred / inadequate profits during earlier years was due to close down of ponds to prevent virus inspection etc
2. Steps taken or proposed to be taken for improvement : Company proposes to expand the business by utilizing the unused capacity of Processing plant by procuring Raw material from the local market
3. Expected increase in productivity and profits in measurable terms: There may be around 20% increase in production and 5% increase in Profitability.

IV. Disclosures:

1. Remuneration package of the managerial personnel: Remuneration paid to the managerial personnel for the financial year ended on 31.03.2017 is given vide item No. (iii)(2) of the Report on Corporate Governance.
2. Other Disclosures as per Second Proviso (iv) to Section II(B) of Part II of Schedule V of the Companies Act, 2013:
 - (i) Elements of Remuneration Package: The elements of remuneration package have been enumerated in the special resolution proposing the appointment and the remuneration payable to Managerial Personnel.
 - (ii) Details of fixed components and performance linked incentives along with the performance criteria: Fixed remuneration and perquisites including minimum remuneration in the event of loss or inadequacy of profits have been provided to the Managing Director/ Whole time Director and they are not entitled to any commission.
 - (iii) Service contracts, notice period, severance fees: Mr.S. Sharat Reddy, who is to be appointed as a whole time Director is a Promoter Director. Hence no service contract, notice period and severance fees have been stipulated for him.
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: None

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. S. Sharat Reddy
DIN	02929724
Date of Birth	10/07/1989
Date of Appointment	31/01/2013
Qualifications & Expertise	Post Graduate in Industrial Engineering and Operations Research Technical Capabilities for developing Systems

	to implement the traceability which is essential for export markets.
Directorship / Shares held in other Public Companies	Nil
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil
Number of shares held in the Company	21,63,600

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

{SD}

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

PLACE: VENKANNAPELEM
DATE: 14th August 2017

DIRECTORS' REPORT

Dear Members of Sharat Industries Limited,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2017

1. FINANCIAL HIGHLIGHTS

Particulars	Year ending 31.03.2017 (Rs.in lakhs)	Year ending 31.03.2016 (Rs.in lakhs)
Total Turnover	16,542.49	14,985.68
Profit before Depreciation and Interest	1,009.66	1138.92
Less: Interest - finance cost	470.26	385.52
Depreciation	268.31	434.49
Profit Before Exceptional items and Tax	271.09	318.91
Exceptional items	-	-
Provision for Tax	88.30	109.57
Profit after Tax	182.79	209.34
Profit brought forward from the previous year	1110.27	900.93
Profit carried over to Balance Sheet	1293.06	1110.27

2. **SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS :** The turnover of the company for the year ended 31st March, 2017 was Rs.15,766.48 lakhs against Rs.14,779.01 lakhs in the previous year. During the year the company made sales of Rs. Rs. 14,917.37 lakhs against Rs.14,040.48 lakhs in the previous year, Job work receipts of Rs. 57.71 lakhs against Rs. 245.00 lakhs in the previous year and during the year the company has made an operating profit before tax of Rs.271.10 lakhs against Rs. 318.91 lakhs in the previous year.

During the year, the company's shrimp sales increased by 46.94% and domestic feeds sales come down by 36.20% as compared to the previous financial year

Your directors are confident that the performance of the company will improve in the years to come.

3. **FUTURE OUTLOOK :** Our product is well received in the international market as well as domestic market. We are hopeful of achieving much better results in the years to come. The outlook and future plans of the Company have been mentioned in detail under the "Management Discussion and Analysis" section that forms part of this report.

4. **SHARE CAPITAL:** As on 31st March 2017, the issued, subscribed and paid up capital of your company stood at Rs.22,01,25,000/- comprising of 2,20,12,500 equity shares of Rs.10/-each.

5. **DIVIDEND:** In order to retain the profits to strengthen the capital base, no dividend has been recommended by the Board for the year under review.

6. RESERVES , IF ANY

The Company has not transferred any amount to reserves during the financial year.

7. LISTING OF SHARES :

The equity shares of the Company have been listed on the Bombay Stock Exchange at Mumbai. The company has to pay Annual Listing Fees due to the Bombay Stock Exchange for the year 2017-2018.

The Bombay Stock exchange suspended the trading of Company's Shares and the company is making efforts to revoke the suspension of trading and awaiting for the approval from the BSE. Your Company could not establish connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the company is in the process to establish connectivity and dematerialize the shares.

8. CHANGE IN NATURE OF BUSINESS :

The company continues to be an integrated Aqua Culture company with Hatchery, Culture, and Feed and Shrimp Processing & Exports business and during the year, the company has not changed its business.

9. MATERIAL CHANGES AND COMMITMENTS :

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The company has in placed adequate financial controls commensurate with size and operations.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :

The company has Internal Audit and the Audit Committee is in place to take care of the same.

12. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE II.

13. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES :

There are no Subsidiary/ Joint venture/ Associate companies

14. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Not applicable as there are no Subsidiary/ Joint venture/ Associate companies

15. STATUTORY AUDITORS

The term of present Auditors M/s P.A. Reddy & Co., Chartered Accountants, is expired and in their place M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No: 009805S), are to be appointed by Share holders in the Annual General Meeting for a period of 5 years from the conclusion of 27th Annual general Meeting to the conclusion of 32nd Annual General Meeting. The resolution relating to appointment is put to members in the ensuing Annual General Meeting.

16. AUDITORS' REPORT, OBSERVATIONS AND REPLIES

The Auditors' Report was qualified and Notes to Accounts and some of the Auditors remarks in their report are self-explanatory and do not call for any further comments. However with specific reference to Para IV of the said report, items wise it is clarified as under

In respect of Post Retirement Benefits viz. Gratuity, as per Accounting Standard-15 issued by the Institute of Chartered Accountants of India, the Company should make provision on actuarial basis every year towards liability for future payment of gratuity. However during the year, provision for gratuity has been made on adhoc basis. Such creation of provision is not in accordance with the Accounting Standard referred above. In the absence of details we are unable to comment on the effect of such provision on the profits for the year, gratuity liability and net worth of the Company

The report of the Insurance Company on actuarial liability for gratuity is awaited. We shall make the requisite provision in the current year. We are taking steps to cover all the employees under ESI Scheme in the current year.

In respect of a few creditors and advances recoverable, there are neither confirmations of the year-end balances nor reconciliation of the accounts. In the absence of such confirmations / reconciliations, we are unable to comment on the effect of such accounts on the profit of the Company for the year, year-end balances of trade creditors and advances recoverable and on the net worth of the Company.

Confirmation of balances from some of the creditors who are illiterate farmers could not be obtained. However we are following up the matter to obtain the confirmations. We do not foresee any discrepancies in the balances and hence there will not be any effect on the Accounts.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. S Sharat Reddy, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

18. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under section 149(7) of the Act that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 & 134 (5) of the Companies Act, 2013, shall state that-

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. **MEETINGS:** A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 7 (Seven) Board Meetings and 5 (Five) Audit Committee Meetings, 11 (Eleven) Share holders' grievances and Share transfer committee meetings and 1(One) Nomination & Remuneration committee meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

21. AUDIT COMMITTEE :

The Audit Committee of the Board consists of Independent Directors namely Mrs. Durga Thota, Chairman, Mr. Veerraju Manda and Mr. M.B.R. Prasad as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

22. VIGIL MECHANISM :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sharatindustires.com.

23. RISK MANAGEMENT:

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the Company has laid down various steps to mitigate the identified risk.

24. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The suggestions made by consultants, regarding the energy systems are under implementation
(ii)	the steps taken by the company for utilizing alternate sources of energy	PF Correction capacitors installed to stabilize power factor in the Electricity Supply. The management is taking steps to install solar lights wherever possible.
(iii)	the capital investment on energy conservation equipment's place, and the reasons thereof

b) Technology absorption N A

(i)	the efforts made towards technology absorption
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
	(a) the details of technology imported
	(b) the year of import;
	(c) whether the technology been fully absorbed
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
(iv)	the expenditure incurred on Research and Development

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was Rs. 1,43,27,048/- and the total foreign exchange earned was Rs. 101,89,30,781/-.

25. **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

26. **CORPORATE GOVERNANCE**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Compliance report on Corporate Governance as per Schedule V of the Listing Regulations, along with a Certificate of Compliance from the Practicing Company Secretary forms part of this report. ANNEXURE-VII

27. **DEPOSITS**

The Company has neither accepted nor renewed any deposits from the shareholders or public, during the year under review.

28. **PARTICULARS OF EMPLOYEES :**

Statement showing the details of employees who are in receipt of remuneration of Rs. 5, 00,000/- or more per month are given in the annexure - IV forming part of this report.

29. **MANAGERIAL REMUNERATION**

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (ANNEXURE V)

30. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

DETAILS OF LOANS:

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
				NIL					

DETAILS OF INVESTMENTS:-

SL No	Date of investment	Details of Investee	Amount	Purpose for which the loan is to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
				NIL			

DETAILS OF GUARANTEE / SECURITY PROVIDED :

SL No	Date of providing security / guarantee	Details of recipient	Amount	Purpose security/ guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Commission
				NIL			

29. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2 as ANNEXURE III.

30. **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Sri. D.S. Venkata Narasimhan, Company secretaries and report given by them is annexed with the report as Annexure -I. With reference to the observations made, we state that The unintended delays in filings were due to over sight and Technical reasons. The Company Secretary (CS) was appointed from 15.07.2016. The company proposes to initiate the process for dematerialization during the year. The company has approached BSE for revocation of suspension of trading and awaiting for their response

31. **INTERNAL AUDIT**

In terms of sec 138 of the companies' act 2013 and the relevant rules the company appointed M/s Rao & Sharma, Chartered Accountants as the internal auditors of the company. The internal auditor directly reports to the audit committee.

32. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Directors comments on Management Discussion and Analysis, which forms a part of this report, are restricted to the areas which are relevant to the current scenario of the Company and outlook is annexed hereto ANNEXURE - VI

33. **NO SIGNIFICANT AND MATERIAL ORDERS WERE PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

34. **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

To prevent sexual harassment of women at work place, a new act the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013 and every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

35. **MECHANISM FOR BOARD EVALUATION**

Regulation 17(10) of SEBI(LODR) Regulations, 2015 states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance

andthat of its committees and individual directors.

Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared 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 meeting of the Independent Directors was also held which reviewed the performance of Non-Independent Directors, Chairman and the quality, quantity and timelines of flow of information between the Company management and Board.

36. **PERSONNEL:**

The relations between the management and the staff were very cordial throughout the year. Your Directors take this opportunity to record their appreciation for the co-operation and loyal services rendered by the employees.

37. **ACKNOWLEDGEMENTS:**

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by MPEDA, FEDERAL BANK LIMITED and other Government Agencies.

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14th August 2017

S.SHARAT REDDY
DIRECTOR
DIN: 02929724

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

ANNEXURE-I

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To
The Members,
SHARAT INDUSTRIES LIMITED
Venkannapalem Village - 524002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHARAT INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SHARAT INDUSTRIES LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHARAT INDUSTRIES LIMITED for the financial year ended on 31st March, 2016 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 6. 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;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; The company reported that the Bombay Stock Exchange (BSE) has exited from securities business and the company has been delisted by virtue of SEBI Notifications there on the company's shares have been placed are the dissemination board of NSE for trading purpose.
 8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 9. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 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;
 - (vi) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
 - (vii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;
 - (viii) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
 - (ix) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
 - (x) Income Tax Act, 1961 and rules made there under;
 - (xi) Service Tax Act, 1994 and rules made there under;
- I have also examined compliance with the applicable clauses of the following :
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under section 118 (10) of the Companies Act, 2013.

I Further Report That

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent / Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the secretarial standards and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision of the Board of Directors are carried through, while the dissenting members views are captured and recorded as part of the minutes.

I Further Report

1. There were delays in filing certain e Forms with MCA
2. The company reported that the Bombay Stock Exchange (BSE) has suspended the stock trading of the company for the period under review
3. The company's shares has not been dematerialized and no agreements have been entered into with NSDL and CDSL , consequently the Company has not appointed Share Transfer Agent.
4. The Company has NOT appointed whole Time Company Secretary for the period under review

OTHER SPECIFIC LAWS:

- i) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
- ii) Water (Prevention and Control of Pollution) Act, 1974;
- iii) Water (Prevention and Control of Pollution) Cess Act, 1977;
- iv) Environment (Protection) Act, 1986;
- v) Air (Prevention and Control of Pollution) Act, 1981;

I 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.

I further report that during the audit period no events have occurred which have a major bearing on the company's affairs.

Place : Chennai
Date: 14th August, 2017

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

Note: This report is to be read with our letter of even date which is annexed as Annexure and form as an integral part of this report.

ANNEXURE

To
The Members
SHARAT INDUSTRIES LIMITED
Venkannapalem Village-524002

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 processes 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 processes 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. Where ever 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 procedures 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.

Place : Chennai
Date: 14th August, 2017

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

ANNEXURE-II
FORM NO. MGT 9

Extract of Annual Return as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. I. REGISTRATION & OTHER DETAILS:

i)	CIN:	L05005AP1990PLC011276					
	Registration Date [DD/MM/YYYY]	07/05/1990					
Name of the Company		Sharat Industries Limited					
ii)	Category of the Company	Company limited by shares					
iii)	Sub Category of the Company	Non-Govt Company					
iv)	Whether shares listed on recognized Stock Exchange(s)	Yes					
	If yes, details of stock exchanges where shares are listed	<table border="1"> <thead> <tr> <th>Sl No.</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bombay Stock Exchange</td> <td>BSE</td> </tr> </tbody> </table>	Sl No.	Stock Exchange Name	Code	1	Bombay Stock Exchange
Sl No.	Stock Exchange Name	Code					
1	Bombay Stock Exchange	BSE					
v)	AGM details-	30/09/2016 at 10:00 A.M. at the Registered Office of the Company Situated at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.					
	Whether extension of AGM was granted – Yes / No. (If yes, provide reference number , date of approval letter and the period up to which extension granted)	No					
	If Annual General Meeting was not held, specify the reasons for not holding the same	Not Applicable					
Vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:						
Company Name		Sharat Industries Limited					
Address		Venkannapalem Village, T.P. Gudur Mandal,					
Town / City		Nellore District					
State		Andhra Pradesh					
Pin Code:		524 002					
Country Name :		INDIA					
Country Code		—					
Telephone (With STD Area Code Number)		0861-2389155					
Fax Number :		—					
Email Address		Sharatpremium@gmail.com					
Website		www.sharatindustries.com					

	Name of the Police Station having jurisdiction where the registered office is situated	T.P. Gudur Police Station T.P. Gudur, Nellore Dist, Andhra Pradesh,
	Address for correspondence, if different from address of registered office:	
Vii)	Name and Address of Registrar & Transfer Agents (RTA)	
	Registrar & Transfer Agents (RTA):-	The company right now has in house transfer facility and proposes to appoint RTA.
	Address	
	Town / City	
	State	
	Pin Code	
	Telephone (With STD Area Code Number)	
	Fax Number	
	Email Address	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Frozen Shrimp Exports	03061319	68.30%
2	Shrimp Feed Domestic	108010809	29.25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE

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[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	11549400	11549400	52.47	0	11549400	11549400	52.47	NIL
b) Central Govt	0	0	0	0	0	0	0	0	NIL
c) State Govt(s)	0	0	0	0	0	0	0	0	NIL
d) Bodies Corp.	0	100	100	0	0	100	100	0	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total	0	11549500	11549500	52.46	0	11549500	11549500	52.46	NIL
(A)(1):-									
(2) Foreign									
a) Individuals(Non-Resident Individuals/Foreign Individuals)	0	448000	448000	2.04	0	448000	448000	2.04	0.01
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0	0	0
(A)(2):-									
Total shareholding of Promoter (A)	0	11997500	11997500	54.50	0	11997500	11997500	54.50	0.01
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	70000	70000	0.32	0	70000	70000	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total	0	70000	70000	0.32	0	70000	70000	0.32	0
(B)(1):-									

									0
2. Non-Institutions									0
a) Bodies Corp.	0	707200	707200	0.32	0	707200	707200	0.32	0
j) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	8217400	8217400	37.33	0	8217400	8217400	37.33	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1020400	1020400	4.64	0	1020400	1020400	4.64	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	352000	352000	2.69	0	0	352000	2.69	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members									0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - DR	0	0	0	0	0	0	0	0	0
Sub-total	0	9945000	9945000	45.18		9945000	9945000	45.18	0.01
(B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)		10015000	10015000	45.50		10015000	10015000	45.50	0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	22012500	22012500	100	0	22012500	22012500	100	0

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding 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)	S. Prasad Reddy	88,14,800	40.04	0	88,14,800	40.04	0	0
2)	S. Devaki	1,39,100	0.63	0	1,39,100	0.63	0	0
3)	S.Charita Reddy	8,000	0.04	0	8,000	0.04	0	0
4)	S. Sharat Reddy	21,63,600	9.83	0	21,63,600	9.83	0	0
5)	Other share holders	8,72,000	3.97	0	8,72,000	3.96	0	0.01
	TOTAL	11997500	54.51	0	11997500	54.50	0	0.01

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11997500	54.50		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
	At the end of the year			11997500	54.50

D) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Name	Share holding at the beginning of the year 01.04.16		Date	INC/DEC	Reason	Cumulative shareholding during the year (01.4.16 to 31.3.17)	
		No of shares	%				No of shares	%
1.	Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
2.	Gundala Viswanatha Reddy	1,57,900	0.72				1,57,900	0.72
3.	Sistavarapu Ramakrishna Reddy	1,42,300	0.65				1,42,300	0.65
4.	Madhusudhan V Pulijal	1,17,300	0.53				1,17,300	0.53
5.	Venkataramatnam Kottapalli	1,10,700	0.50				1,10,700	0.50
6.	Ajayya Gulati	1,02,100	0.46				1,02,100	0.46
7.	G. Prashanth Reddy	75,000	0.34				75,000	0.34
8.	G. Neel Reddy	75,000	0.34				75,000	0.34
9.	Ashok N Patel	74,700	0.34				74,700	0.34
10.	Suashish Finance Ltd	66,200	0.30				66,200	0.30

E) Shareholding of Directors and Key Managerial Personnel :
A. Key Managerial Personnel :

Sl.No	Name	Share holding at the beginning of the year 01.04.15		Increase	Reason	Cumulative shareholding during the year (01.4.16 to 31.3.17)	
1	S. Prasad Reddy	8814800	40.04%	-	Nil	8814800	40.04%
2	S. Sharat Reddy	2163600	9.83%	-	Nil	2163600	9.83%

B. Directors :

Sl.No	Name	Share holding at the beginning of the year 01.04.15		Increase	Reason	Cumulative shareholding during the year (01.4.16 to 31.3.17)	
1	S. Charita Reddy	8000	0.04%	-	Nil	8000	0.04%

Details of Share holders holding more than 5% shares in the company:

		31st March 2016 Equity Shares		31st March 2017 Equity Shares	
1	S. Prasad Reddy	88,14,800 Shares	40.04%	88,14,800 Shares	40.04%
2	S. Sharat Reddy	21,63,600 Shares	9.83%	21,63,600 Shares	9.83%

V) INDEBTEDNESS :-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33,22,50,440	5,29,97,910	-	38,52,48,350
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	33,22,50,440	5,29,97,910	-	38,52,48,350
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	3,24,88,801	7,00,000	-	3,31,88,801
Net Change	3,24,88,801	7,00,000	-	3,31,88,801
Indebtedness at the end of the financial year				
i) Principal Amount	29,97,61,639	5,22,97,910	-	35,20,59,549
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	29,97,61,639	5,22,97,910	-	35,20,59,549

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		S. Prasad Reddy MD	S. Sharat Reddy WD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	42,00,000	1,14,00,000
	(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	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)	72,00,000	42,00,000	1,14,00,000
	Ceiling as per the Act	84,00,000	84,00,000	168,00,000

B. REMUNERATION TO OTHER DIRECTORS : NIL

SN.	Name of Director	Fee for attending Board / Committee Meetings	Commission	Others	Total
1	Veerraju Manda	42,000	-	-	42,000
2	M.B.R. Prasad	40,000	-	-	40,000
3	Durga Thota	47,000	-	-	47,000
	Total	1,29,000			1,29,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

SN.	Particulars of Remuneration	Key Managerial Prsonnel		Total Amount
		Kshetramohan Hota Company Secretary		
1	Gross salary	3,00,000		3,00,000
	(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	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14th August 2017

S.SHARAT REDDY
DIRECTOR
DIN: 02929724

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

ANNEXURE-III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2) Details of material contracts or arrangement or transactions at arm's length basis

Sl.No	Name of the related party and nature of relationship	Nature of contract/agreement / transaction	Duration of the contract	Salient terms of the contract	Date of approval by the Board	Amount paid as advances, if any
01	S. Prasad Reddy, Managing Director	Lease of Ponds	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	30/05/2016	Nil
02	S. Devaki, Wife of Managing Director	Lease of office premises	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	30/05/2016	Nil

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
DATE : 14th August 2017

M.VERRAJU
DIRECTOR
DIN: 03164917

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

ANNEXURE - IV

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

None of the Employees are drawing salary as specified in the Provision of the Companies Act, 2013.

ANNEXURE - V

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014:

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<table border="1"> <thead> <tr> <th>Name of the Directors</th> <th>Ratio to median remuneration</th> </tr> </thead> <tbody> <tr> <td>S PRASAD REDDY</td> <td>47:1</td> </tr> <tr> <td>S SHARAT REDDY</td> <td>27:1</td> </tr> </tbody> </table>	Name of the Directors	Ratio to median remuneration	S PRASAD REDDY	47:1	S SHARAT REDDY	27:1
Name of the Directors	Ratio to median remuneration							
S PRASAD REDDY	47:1							
S SHARAT REDDY	27:1							
(ii)	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are as under	There was no increase in the managerial remuneration for the Financial Year.						
(iii)	Percentage increase in the median remuneration of employees in the financial year 2016-17	8.5%						
(iv)	Number of permanent employees on the rolls of the company:	110 Employees						
(v)	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 managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>The increase made in average salaries of employees other than the managerial personnel in the current financial year was 8.5%.</p> <p>There has been no increase or decrease in the managerial remuneration for the Financial Year 2016-17.</p>						
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and Other Employees						

**ANNEXURE-VI TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS**

ECONOMY AND INDUSTRIAL SCENARIO

The fiscal year 2016-17 the Indian economy changed its position as one of the fastest growing economies due to measures taken to control inflation, reversal of monetary policy, decline in price of oil and other commodities as well as initial set of reforms by the present government. The GDP growth was estimated at 7.1% in the year 2016-17 as compared to 7.9% in the previous year.

Against this backdrop, Your company's performance come down by about 15.00% in 2016-17, the negative growth of 26.94% incurred in the previous year, as compared to respective previous years.

Your company is carrying on the business of in Integrated Aqua Culture.

STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS

The strength of your Company stems from the following factors:

- ◆ Above two decades hands on experience of the promoters group
- ◆ One of the largest company with vast experience
- ◆ Export oriented company with good demand

The Company's weakness mainly arises from:

- a. International and Domestic economic scenario, showing a downward trend
- b. Competition from the unorganized players who are resorting to unviable low pricing strategies
- c. More dependence on the demand in International Market.

However, great opportunities are foreseen in view of:

- a. thrust on export markets
- b. Maintenance of quality product

The threats to be overcome are:

- a. Business competition from unorganized sectors
- b. Competition from larger business houses in the industry
- c. Natural calamities and virus attack on Shrimp Farms.

**PERFORMANCE ANALYSIS
HIGHLIGHTS AS COMPARED TO PREVIOUS YEAR**

PRODUCT-WISE PERFORMANCE :		Amount in Rs.	
S.NO	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Shrimp Export	1,01,89,30,781	69,31,76,736
2	Shrimp Local	3,25,15,810	55,06,954
3	Sale of Feed	43,64,05,630	68,40,34,856
4	Sale of Seed	15,12,100	1,78,88,160
5	Sale of Chemicals	23,72,500	34,41,750
	Total	1,49,17,36,821	1,40,40,48,456

EXPORTS:

The Exports has increased by 46.99% during the year compared to previous year

CAPITAL EXPENDITURE AND EXPANSION PLANS :

Additions to the Fixed Assets amounting to Rs.2, 54, 87,383/- .

OUTLOOK

The product is well received in the international market as well as domestic market. We are hopeful of achieving much better results in the years to come.

INTERNAL CONTROLS

The company is having proper internal controls to maintain the quality of the products and eliminate the wastages.

ENVIRONMENT REPORT

Environmental protection, pollution control measures and social welfare activities are forming part of the company's operations.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Section describing the Company's expectation and prediction may be "forward looking statements" within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Global and Indian demand-supply conditions, input and output costs, environmental conditions and natural calamities, government policies, litigations and labour problems etc.

**ANNEXURE VII
REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

MANDATORY REQUIREMENTS:

i. COMPANY'S PHILOSOPHY:

The Company firmly believes that Corporate Governance is an on-going process, endeavours to achieve the highest levels of transparency, integrity and equity in all its operations and considers the same as an essential component for a successful enterprise. Sound corporate governance no doubt, provides value addition and compliance of standards, improves the organizational skills to achieve better long term results and disclosures to stakeholders, ensures adequate information to assess the performance of the Company.

ii. BOARD OF DIRECTORS

a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:

The present strength of the Board of Directors is Five (5) and its composition is as follows:

Managing / Promoter Directors	2
Non-Executive Independent Directors	3

Non-Executive Independent Directors are having vast experience in the industry, finance and general expertise to handle and guide the operation towards betterment. They take active part in the Board and Committee Meetings

b. BOARD MEETINGS AND RELATED INFORMATION :

Seven (7) meetings of the Board of Directors were held during the year viz., on 30th May 2016, 16th June 2016, 15th July 2016, 13th August 2016, 14th November 2016, 18th January 2017 and 13th February 2017.

The attendance particulars of each Director at the Board Meetings and last Annual General Meeting :

Directors	No of Board meetings attended during the year	Last AGM(held on 30.09.2016) Attended	Directorships Held in Other Companies	No of other Committees (other than this Company) in which Chairman / Members
Executive Promoter Directors(MD & ED)				
Mr. S. Prasad Reddy	7	Yes	Nil	NIL
Mr. S. Sharat Reddy	7	Yes	Nil	NIL
Mrs. S. Charita Reddy	1	Yes	Nil	NIL
Non-Executive Independent Directors				
Mr. Veerraju Manda	4	No	NIL	NIL
Mr. M.B.R. Prasad	4	No	2	NIL
Mrs. Durga Thota	5	Yes	1	NIL

iii. COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The role and the authority including the powers of this committee are in line with the requirements of the Companies Act and the listing agreement executed with the stock exchanges. The composition of the committee comprises the following Directors as members:

- Mr. Veerraju Manda - Chairman - upto 13.08.2016
- Mr. M.B.R Prasad
- Mrs. Durga Thota - Chairman - from 13.08.2016
- Mr. S. Sharat Reddy - up to 13.08.2016

The terms of reference of the Committee broadly comprise:

- Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible and more particularly :
 - To select and establish accounting policies and changes if any in accounting policies and procedures
 - To Answer Qualifications if any given in the draft auditors' report.
 - On the major entries made in the accounts based on the exercise of judgment made by the management.
 - The Going Concern concept assumption.
 - Compliance with the accounting standards as prescribed by ICAI
 - Compliance with requirements of stock exchanges and legal requirements concerning the financial statements
 - To review management discussion and analysis of financial condition and results

of operation.

- To review statement of significant related party disclosures submitted by the management.
 - To evaluate internal financial controls and risk management systems.
- Recommending the appointments and removal of external auditor, fixation of audit fee and also approval for payment for other services.
 - Periodic review of the adequacy of the internal audit , internal controls and discussions with the external auditors thereon. Depending upon the necessity the senior personnel from the concerned department are called to the meeting.

During the financial year 2015 - 16, five meetings of the Audit Committee were held viz., on 30th April 2015, 31st July 2015, 5th September 2015, 31st October 2015 and 13th February 2016 and attendance of the members of the audit Committee at these meetings is as follows :

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerraju Manda	5	4
Mr. M.B.R. Prasad	5	4
Mrs. Durga Thota	3	3
Mr. S. Sharat Reddy	2	0

All the recommendations made by the Audit Committee were accepted by the Board.

2. REMUNERATION COMMITTEE/NOMINATION AND REMUNERATION COMMITTEE :

The Remuneration Committee first reviews and approves the remuneration payable to the Managerial personnel before the same is considered by the Board/Shareholders. The Remuneration Committee takes into account various factors like the financial performance of the company, performance of the Managing Director/Wholtime Directors, their existing remuneration, their contribution to the company etc.,. The composition of the committee comprises the following Directors as members:

- Mr. M.B.R Prasad - Chairman
- Mr. Veerraju Manda
- Mrs. S. Charita Reddy - upto 13.08.2016
- Mrs. Durga Thota - from 13.08.2016

During the financial year 2015-16, (1) One Nomination and Remuneration committee meetings were held on 15.07.2016 and attendance of the members of the Remuneration Committee at the meeting is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. M.B.R. Prasad	1	1
Mr. Veerraju Manda	1	1
Mrs. S. Charita Reddy	1	0
Mrs. Durga Thota	0	0

During the year the name of the Remuneration Committee is re-named as Nomination

and Remuneration Committee.

Remuneration Policy:

The remuneration Policy is that the remuneration recommended will have bearing on the previous remuneration of the managerial personnel, their individual contribution to the Company for its growth etc. and in fixing such remuneration, the Remuneration Committee will be guided by the provisions of the Schedule V to the Companies Act, 2013.

Details of remuneration paid to directors during the year under review are as under:

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	72,00,000/-			72,00,000/-
Mr. S. Sharat Reddy	42,00,000/-			42,00,000/-

There is no performance linked incentives or stock option for any of the Directors. The remuneration given above are fixed components. The tenure of office of the Managing Director and Wholetime Executive Director is for a period of three years from the date of appointment, being promoter Directors no service contract has been stipulated for them.

The company is paying Sitting Fee to the Non-Executive Directors for Board, Audit and Nomination and Remuneration Committee Rs.5,000/- for attend the meeting and for Shareholder's Relationship Committee Rs.1,000/-.

3. SHAREHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the committee comprises the following Directors as members:

- Mr. Veerajju Manda - Chairman
- Mr. M.B.R Prasad
- Mr. S.Prasad Reddy - upto 13.08.2016
- Mrs. Durga Thota - from 13.08.2016

During the financial year ended on 31st March, 2016 the Share Transfer-cum-Investors' Grievance Committee met 6 times on 29.04.2015, 05.08.2015, 27.10.2015, 20.12.2015, 20.01.2016 and 24.03.2016.

The attendance of the members of the Share Transfer-cum-Investors' Grievance Committee at these meetings is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerajju Manda	11	9
Mr. M.B.R Prasad	11	9
Mr. S. Prasad Reddy	3	0
Mrs. Durga Thota	7	7

Shareholders' Relationship Committee looks after both the shareholders relations and Share Transfers.

During the year the company has received 57 requisitions for transfer / transmission of shares and 4 requisitions for Change of Address and the company has effected 34 requisitions for transfer/ transmission of shares and 4 requisitions for change of address.

23 requisitions for transfer and transmission were rejected due to mismatch of signatures, non submission of Pan card etc. and there is no pending complaint at the end of the year

IV. Secretarial Standards issued by ICSI

Pursuant to the provisions of Section 118 (10) of the Companies Act, 2013, compliance with secretarial standards relating to General Meeting and Board Meeting specified by the Institute of Company Secretaries of India (ICSI) as approved by the Central Government is mandatory effective from July 1, 2015. The Company is adhering to the standards issued by the ICSI.

V. SHARE HOLDER INFORMATION

General Body Meeting

The details of the last three Annual General meetings held are as follows:

YEAR	DATE	TIME	VENUE
2014	30.09.2014	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2015	30.09.2015	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2016	30.09.2016	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

No resolution was put through postal ballot during last year.

Special Resolutions passed in the previous 3 Annual General Meetings:

- 2013-14: YES

Pursuant to Section 196, 203 read with Schedule V, appointment of Mr. S. Sharat Reddy as a whole time director for a period of three years w.e.f :01.04.2014

- 2014-15 : YES

Pursuant to Section 196, 197 read with Schedule V, re-appointment of Mr. S. Prasad Reddy as a Managing director for a period of three years w.e.f :01.04.2015

Pursuant to Section 180 of the Companies Act, 2013, total amount up to which monies may be borrowed by the Directors shall not exceed the sum of Rs.150 Crores.

- 2015-16 : YES

Pursuant to Section 149,152, 164 and other applicable provisions of the Companies Act, 2013 and the Companies (appointment and Qualification of Directors) Rules 2014, appointment of Mrs. Durga Thota as Women Independent Director

Whether any Special Resolution passed last year through postal ballot- details of voting pattern: **No Special Resolution was passed through Postal Ballot last year.**

Whether any Special Resolution is proposed to be conducted through postal ballot : **No**

Procedure for postal Ballot : **Not Applicable**

VI. DISCLOSURES

- a. The company has followed the accounting standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- b. Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March 2016.
- c. The Board is of the bonafide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors, or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- d. During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- e. In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sharatindustries.com.
- f. The company has generally complied with the mandatory disclosure requirements under Clause 49 of the Listing Agreement executed with the stock exchanges and SEBI LODR Regulations 2015.

Means of communication

- a) The company has been sending annual reports, notices and other communications to each shareholder.
- b) The quarterly reports in the prescribed format were published in the News Papers, Financial Express- English and Andhra Jyothi - Telugu as required by the Listing Agreements with the Bombay Stock Exchange Ltd and Listing Regulations, 2015.
- c) There were no presentations made to institutional investors or analysts, during the year.

GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting
Date & Time : Thursday, 28th September 2017, 10.00 am
Venue : Venkannapalem Village,
T.P.Gudur Mandal, Nellore Dist, A.P.
- b. Financial Year Calendar (2016-17) tentative : 1st April to 31st March of every year
Financial reporting for the quarter ending 30th June 2016 : 14th August 2017
Financial reporting for the quarter ending 30th September, 2016 : 14th November 2017
Financial reporting for the quarter ending

- 31st December, 2016 : 14th February 2018
Financial reporting for the quarter ending 31st March, 2017 Audited : 30th May 2018
- c. Date of Book Closure : 25.09.2017 to 28.09.2017
 - d. Listing of Stock Exchanges : Bombay Stock Exchange Ltd.
The annual listing fees for the period 1st April 2016 to 31st March 2017 has been paid to Stock Exchange.
 - d. Depository cum Share Transfer Registrars : all share transfer work was done in house by the company upto November 2016. Since December 2016 the share transfer work being done by M/s. Cameo Corporate Services Private Limited
 - f. Share Transfer System : All the shares are in physical mode only. Share Transfer in physical form is normally effected with in a period of 15 days of receipt of the documents, if found in order. The share transfer committee approves all share transfers. Share certificates are dispatched by registered post/ speed post.

g. Shareholding Pattern as on March 31, 2017

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Promoter and Promoter Group:			
a. Bodies Corporate	1	100	-
b. Directors & their relatives	383	11997400	54.50
Public Share Holding:			
I. Institutions:			
Financial Institutions/Banks	5	70000	0.32
II. Non Institutions:			
Bodies Corporate	102	407000	1.85
Individuals	36548	9538000	43.33
Total	37039	22012500	100.00

All the shares are held in Physical form only

h. Distribution of Shareholding as on March 31, 2016

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
0 - 500	34118	92.11	4736300	21.52
501-1000	1659	4.48	1361100	6.18
1001-2000	682	1.84	1016000	4.62

2001-3000	297	0.80	741100	3.37
30001-4000	92	0.25	335700	1.52
4001-5000	68	0.18	321600	1.46
5001-10000	73	0.20	525300	2.39
10001-above	50	0.14	12975400	58.94
Total	37039	100.00	22012500	100.00

- i. Dematerialization of shares and liquidity : The Company's shares are yet to be dematerialized.
- j. International Securities Identification Number (ISIN) : Nil
- k. Plant Locations : Farm : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
Hatchery : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
FeedMill : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
Processing : Mahalakshampuram,
Plant T.P. Gudur Mandal,
Nellore District, A.P.
- l. Products : Prawn Culture, processing and Feed
- m. Address for correspondence : Shareholders correspondence should be addressed to Our Register office situated at VENKANNAPEM VILLAGE, T.P. GUDUR MANDAL, NELLORE-524002.

Declaration - Code of Conduct

All Board members and senior management personnel have, for the financial year ended on 31st March, 2017, have affirmed compliance with the code of conduct laid down by the Board of Directors and senior management, in terms of Schedule V-D of SEBI(LODR) Regulations,2015.

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
DATE : 14th August 2017

M.VERRAJU
DIRECTOR
DIN: 03164917

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

REPORT ON CORPORATE GOVERNANCE

To
The Members,
SHARAT INDUSTRIES LIMITED,
Venkannapalem Village-524002

We have examined the compliance of conditions of Corporate Governance by M/s. Sharat Industries Limited for the year ended March 31, 2017 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure 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 in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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.

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

Place : Chennai
Date: 14th August, 2017

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

To
The Board of Directors'
Sharat Industries Limited.

Dear Sirs,

Sub: Managing Director/Chief Executive Officer (CEO) Certification
Pursuant to the proviso to Clause (b) of Sub regulation (2) of Regulation 33

We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that :

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the company's affairs

and are in compliance with current accounting standards, applicable laws and regulations.

- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud of which we have become aware.

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14.08.2017

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

DECLARATION BY THE MANAGING DIRECTOR OF THE COMPANY ON CODE OF CONDUCT

I hereby declare that:

- 1. The Code of Conduct for the Board Members and Senior Management of the company was approved by the Board of Directors in the Board Meeting and the same was adopted by the Company.
- 2. The Code of Conduct adopted by the Company was circulated to the members of the Board and Senior Management of the Company and is also posted on the website of the Company.
- 3. All the members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct.

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14.08.2017

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITORS' REPORT

To The Members of

SHARAT INDUSTRIES LIMITED

I. Report on the Financial Statements

We have audited the accompanying financial statements of SHARAT INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these 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 in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give 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 control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

IV. Basis for Qualified Opinion

In respect of Post Retirement Benefits viz. Gratuity, as per Accounting Standard-15 issued by the Institute of Chartered Accountants of India, the Company should make provision on actuarial basis every year towards liability for future payment of gratuity. However during the year, provision for gratuity has been made on adhoc basis. Such creation of provision is not in accordance with the Accounting Standard referred above. In the absence of details we are unable to comment on the effect of such provision on the profits for the year, gratuity liability and net worth of the Company.

In respect of a few creditors and advances recoverable, there are neither confirmations of the year-end balances nor reconciliation of the accounts. In the absence of such confirmations / reconciliations, we are unable to comment on the effect of such accounts on the profit of the Company for the year, year-end balances of trade creditors and advances recoverable and on the net worth of the Company.

V. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the 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, of the state of affairs of the Company as at March 31, 2017, its Profit and its cash flows for the year ended on that date.

V. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit;
 - 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 referred to our separate report in "Annexure B"; and
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 34 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for P.A. REDDY & Co.,
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.17

"ANNEXURE - A" TO THE INDEPENDENT AUDITORS' REPORT OF SHARAT INDUSTRIES LIMITED

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- (i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of inventories:
- a. The Inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. There are no material discrepancies noticed on physical verification between the physical stock and the book records.
- iii) **In respect of loans, secured or unsecured, granted to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:**
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In respect of loans, investments, guarantees and security given
- The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v) **In respect of public deposits :**
- The Company has not accepted any deposits from the public. Therefore, the provisions of section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) with regard to the deposits accepted from the public and from the members are not applicable to the Company.
- vi) **In respect of cost records :**
- The Central Government of India has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.
- vii) **In respect of statutory dues :**
- a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax, and other material

statutory dues applicable to it with appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) There are no dues of Provident Fund, Income Tax, VAT, Service Tax, as at March 31, 2016, which have not been deposited on account of a dispute except the following

Name of the Statute	Financial year	Amount (. in Lakhs)	Forum where the Dispute is pending
Customs Act, 1962	2004-2005	76.31	In the High Court of Judicature of Andhra Pradesh at Hyderabad.
Service Tax	2015-2016	31.50	In the High Court of Judicature of Andhra Pradesh at Hyderabad.

- viii) **In respect of repayment of dues to banks, financial institutions and debentures holders:**

The Company has not issued any debentures. In respect of dues to banks and financial institutions, the Company is generally regular in adhering to the terms of repayment.

- ix) **In respect of moneys raised by way of initial public offer:**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans received during the year have been applied for the purposes for which they were drawn.

- x) **In respect of frauds:**

No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.

- xi) **In respect of managerial remuneration:**

The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- xii) **In respect of Nidhi Company:**

The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii) **In respect of transactions with related parties:**

All transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) **In respect of preferential allotment or private placement of shares or fully or partly convertible debentures:**

The Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.

xv) **In respect of non-cash transactions with directors:**

The Company has not entered into any non-cash transactions with directors or persons connected with him hence this clause is not applicable.

xvi) **In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for P.A. REDDY & Co.,
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.2017

**"ANNEXURE - B" TO THE INDEPENDENT AUDITORS' REPORT OF
SHARAT INDUSTRIES LIMITED**

I. 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 SHARAT INDUSTRIES LIMITED (the "Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

II. 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 ("ICAI"). 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.

III. Auditor's 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were 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 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 audit opinion on the Company's internal financial controls system over financial reporting.

IV. Meaning of Internal 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

V. 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.

VI. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

for **P.A. REDDY & Co.,**
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.2017

SHARAT INDUSTRIES LIMITED				
BALANCE SHEET AS AT MARCH 31, 2017				
	Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
I	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	2	22,01,25,000	22,01,25,000
	(b) Reserves and Surplus	3	27,05,67,639	25,22,88,228
			49,06,92,639	47,24,13,228
	(2) Non-Current Liabilities			
	(a) Long Term Borrowings	4	7,25,48,283	9,66,64,008
	(b) Deferred Tax Liability (Net)	5	2,62,17,600	2,37,83,270
	(c) Long-term Provisions	6	13,00,108	23,04,553
			10,00,65,991	12,27,51,831
	(3) Current Liabilities			
	(a) Short Term Borrowings	7	27,95,11,266	28,85,84,341
	(b) Trade Payables	8	7,71,44,849	12,45,15,506
	(c) Other Current Liabilities	9	44,99,861	80,48,087
	(d) Short-Term Provisions	10	2,39,30,181	1,74,90,599
			38,50,86,157	43,86,38,533
	TOTAL		97,58,44,787	1,03,38,03,593
II	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	35,85,98,995	36,04,45,882
	(ii) Intangible Assets		3,74,148	4,20,538
	(iii) Capital Work in Progress	12	12,20,200	-
	(b) Long Term Loans and Advances	13	4,68,17,191	6,37,58,827
			40,70,10,534	42,46,25,247
	(2) Current Assets			
	(a) Inventories	14	35,05,07,271	36,09,52,029
	(b) Trade Receivables	15	11,11,07,280	17,34,54,530
	(c) Cash and Cash Equivalents	16	4,38,22,732	4,89,90,102
	(d) Short Term Loans and Advances	17	6,33,96,970	2,57,81,685
			56,88,34,253	60,91,78,346
	TOTAL		97,58,44,787	1,03,38,03,593
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 39	-	-
The accompanying notes are integral part of the financial statements.				
As per our Report of even date				
for P. A. REDDY & Co., Chartered Accountants FRN: 007368S		On behalf of the Board		
		S. Prasad Reddy Managing Director DIN : 00069094	S.Sharat Reddy Executive Director DIN : 02929724	
P. ASHOK REDDY Partner M. No: 023202		V. C. Rama Krishna Kumar Chief Financial Officer		
Place : Nellore Date : 30-05-2017				

SHARAT INDUSTRIES LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017				
	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from Operations	18	1,57,66,47,880	1,47,79,01,462
II	Other Income	19	7,76,01,232	2,06,66,193
III	Total Revenue (I+II)		1,65,42,49,112	1,49,85,67,655
IV	Expenses			
	Cost of Materials Consumed	20	1,20,04,11,532	98,78,78,488
	Changes in Inventory	21	2,30,39,868	3,81,22,377
	Employee Benefits Expense	22	6,97,51,861	8,77,85,535
	Finance Costs	23	4,70,25,947	3,85,52,421
	Depreciation and Amortisation Expense	11	2,68,30,775	4,34,48,915
	Other Expenses	24	26,00,79,501	27,08,88,725
	Total Expenses		1,62,71,39,484	1,46,66,76,462
V	Profit Before Exceptional Items and Tax (III-IV)		2,71,09,628	3,18,91,193
	Exceptional Items		-	-
V	Profit Before Tax (III-IV)		2,71,09,628	3,18,91,193
VI	Tax Expense			
	(1) Current Tax		53,88,005	65,51,617
	(2) Mat Credit Entitlement		10,07,882	(60,61,990)
	(3) Deferred Tax		24,34,330	1,04,67,729
VII	Profit/(Loss) for the year (V-VI)		1,82,79,411	2,09,33,837
	Earnings per Equity Share	25		
	Basic & Diluted		0.83	0.95
	Face Value of the Share		10.00	10.00
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 39		

The accompanying notes are integral part of the financial statements.

As per our Report of even date

for P. A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

S. Prasad Reddy
Managing Director
DIN : 00069094

S. Sharat Reddy
Executive Director
DIN : 02929724

P. ASHOK REDDY
Partner
M. No: 023202

V. C. Rama Krishna Kumar
Chief Financial Officer

Place : Nellore
Date : 30-05-2017

SHARAT INDUSTRIES LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017				
S.No	Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit / (Loss) Before Extraordinary Items and Tax		2,71,09,628	3,18,91,193
	Adjustments for:			
	Depreciation		2,68,30,775	4,34,48,915
	Finance Costs		4,70,25,947	3,85,52,421
	Gratuity		-	40,469
	Provision for Gratuity Written Back		(10,04,445)	-
	(Profit)/Loss on Sale of Vehicle		2,94,886	(20,00,000)
	Interest Income		(35,02,397)	(27,08,386)
	Creditors no Longer Payable		(20,53,740)	(38,17,856)
	Bad Debts		2,60,61,657	59,99,458
	Operating Profit/(Loss) Before Working Capital Changes		12,07,62,311	11,14,06,215
	Changes in Working Capital:			
	Adjustment for (Increase) / Decrease in Operating Assets			
	Inventories		1,04,44,758	41,40,541
	Trade Receivables		3,62,85,593	(3,75,24,923)
	Short term Loans and Advances		(3,86,23,167)	71,24,301
	Adjustment for Increase / (Decrease) in Operating Liabilities			
	Trade Payables		(4,53,16,917)	(10,04,47,127)
	Other Current Liabilities		2,82,783	10,24,402
	Long Term Provisions		-	-
	Short Term Provisions		76,03,194	64,34,397
	Cash generated from operations		9,14,38,554	(78,42,193)
	Cash outflow due to Exceptional Items		-	-
	Cash generated from operations		9,14,38,554	(78,42,193)
	Net Income Tax (Paid)/Refund		(65,51,617)	(79,93,470)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A		8,48,86,937	(1,58,35,663)
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Capital Expenditure on Fixed Assets		(2,54,87,383)	(6,71,66,890)
	Decrease / (Increase) in Capital Work in Progress		(12,20,200)	2,71,695
	Proceeds from Sale of Fixed Assets		2,55,000	20,00,000
	Long Term Loans and Advances		1,69,41,636	(1,53,73,650)
	Interest Received		35,02,397	27,08,386
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B		(60,08,550)	(7,75,60,459)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds / (Repayment) from / of Long Term Borrowings		(2,41,15,725)	37,87,718
	Current Maturities of Long term Debt		(38,31,009)	4,90,680
	Other Short term Borrowings		(90,73,075)	8,84,09,025
	Finance Costs		(4,70,25,947)	(3,85,52,421)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES - C		(8,40,45,757)	5,41,35,002
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		(51,67,370)	(3,92,61,120)
	Cash and Cash Equivalents at the beginning of the year		4,89,90,102	8,82,51,222
	Cash and Cash Equivalents at the end of the year		4,38,22,732	4,89,90,102
	Reconciliation of Cash and Cash Equivalents with the Balance sheet			
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.16)			
	Cash and Cash Equivalents at the end of the year			
	Comprises:			
	Cash on hand		3,12,647	3,35,688
	Balance with Banks			
	- in Current Accounts		1,71,56,234	3,08,62,250
	- in Deposit Accounts		2,63,53,851	1,77,92,164
			4,38,22,732	4,89,90,102

As Per our Report of even date

for P. A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

S. Prasad Reddy
Managing Director
DIN : 00069094

S. Sharat Reddy
Executive Director
DIN : 02929724

P. ASHOK REDDY
Partner
M. No: 023202

V. C. Rama Krishna Kumar
Chief Financial Officer

Place : Nellore
Date : 30-05-2017

Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES:

a. Accounting Convention:

The financial statements have been prepared under the historic cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013.

b. Revenue Recognition:

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. In the case of Export Benefits, DEPB License and Duty Draw Back are recognized only on realization basis.

c. Fixed Assets and Depreciation:

- i. Fixed Assets are valued at cost less accumulated depreciation. Cost includes freight, taxes and duties and other directly attributable costs of bringing the asset to its working condition for its intended use, net of CENVAT and VAT, wherever applicable.
- ii. Borrowing costs are capitalized as part of qualifying fixed assets.
- iii. Depreciation is provided on Fixed Assets at Straight Line Method based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013, on pro rata basis.

d. Foreign Currency Transactions:

- i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.
- ii) The monetary items denominated in foreign currencies (such as cash, receivables, payables etc.,) outstanding at the year-end, are translated at the exchange rates applicable as of the date.
- iii) Any gain or loss arising due to exchange differences at the time of translation or settlement are accounted for in the Statement of Profit and Loss under the head foreign exchange fluctuation account.

e. Current and Deferred Tax :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws prevailing as on the Balance Sheet date. Deferred tax asset is created in respect of unabsorbed losses, only if there is virtual certainty of future profits to absorb the same.

f. Contingent Liabilities:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that

there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

g. Inventories:

Finished goods of Shrimp are valued at Net Realizable Value, Feed and Raw Materials are valued at Cost which includes material cost and other incidental costs incurred in bringing the stock to the site. Stores, Spares and Consumables are charged to Statement of Profit and Loss in the year of purchase.

h. Retirement Benefits:

Contribution to defined contribution schemes such as provident fund and family pension funds are charged to Statement of Profit and Loss as incurred. In respect of gratuity, provision is made in the accounts for the liability for future payment of gratuity.

i. Impairment of Assets:

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment loss, if any, required; or
- b) the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined;

- a) in the case of an individual asset, at higher of the net selling price and the value in use;
- b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

SHARAT INDUSTRIES LIMITED			
Notes forming part of the Financial Statements			
Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Share Capital			
2			
Authorised :			
30000000 (30000000) Equity Shares of Rs. 10/- each		30,00,00,000	30,00,00,000
2000000 (2000000) Redeemable Preference Shares of Rs. 100/- each		20,00,00,000	20,00,00,000
		50,00,00,000	50,00,00,000
Issued, Subscribed and Paid up:			
22012500 (22012500) Equity Shares of Rs. 10/- each fully paid up		22,01,25,000	22,01,25,000
		22,01,25,000	22,01,25,000
(a) All the Equity Shares carry equal rights and obligations including for dividend and with respect to voting rights.			
(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:			
Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Equity Shares:			
Number of Shares at the beginning of the year		22012500	22012500
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
Number of Shares at the end of the year		22012500	22012500
(c) Details of Shareholders holding more than 5% shares :			
Name of Share holder	Note No.	As At March 31, 2017 No. of Shares - % held	As At March 31, 2016 No. of Shares - % held
S. Prasad Reddy		8814800 - 40.04%	8814800 - 40.04%
S. Sharat Reddy		2163600 - 09.83%	2163600 - 09.83%
Reserves and Surplus			
3			
Capital Reserve			
Opening Balance		14,08,32,436	14,08,32,436
Add: Additions during the year		-	-
Closing Balance: A		14,08,32,436	14,08,32,436
Capital Subsidy			
Opening Balance		4,28,315	4,28,315
Closing Balance: B		4,28,315	4,28,315
Surplus/(Deficit) in Statement of Profit and Loss			
Opening Balance		11,10,27,477	9,00,93,640
Add: Profit for the year		1,82,79,411	2,09,33,837
Closing Balance: C		12,93,06,888	11,10,27,477
Total (A+B+C)		27,05,67,639	25,22,88,228
Long Term Borrowings :			
4			
(a) Term Loan			
Term Loan from Federal Bank (Secured)		2,02,50,373	4,19,58,667
(b) Hire Purchase Loans			
From Banks			
Secured		-	3,97,932
From Others			
Secured		-	13,09,500
(c) Other Loans and Advances			
Unsecured		5,22,97,910	5,29,97,910
		7,25,48,283	9,66,64,008

SHARAT INDUSTRIES LIMITED			
Notes forming part of the Financial Statements			
A. Nature of Security:			
1. Term Loan from Federal Bank is secured by the charge of Fixed Assets to be Procured. The Loan is repayable in 57 installments.			
2. Hire Purchase Loans from HDFC Bank Ltd are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 35 monthly installments.			
3. Hire Purchase Loans from BMW Financial Services are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 36 monthly installments.			
4. Hire Purchase Loan from Magma Finance Ltd is secured by way of hypothecation / charge of vehicles financed. The Loan is repayable in 30 monthly installments.			
Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Deferred Tax Asset/Liability			
5			
Deferred Tax Asset		-	-
On account of brought forward Losses		-	-
Deferred Tax Liability		2,62,17,600	2,37,83,270
On difference between book balance and tax balance of fixed assets			
Net Deferred Tax Liability		2,62,17,600	2,37,83,270
Long-term Provisions			
(a) Provision for employee benefits :			
(i) Provision for Gratuity		13,00,108	23,04,553
		13,00,108	23,04,553
Short Term Borrowings			
7			
Secured Loans from Federal Bank			
Packing Credit Loan		12,66,96,786	18,83,19,154
Cash Credit		9,87,95,590	10,02,65,187
Packing Credit Foreign Currency		4,50,10,772	-
Loan against deposits		90,08,118	-
		27,95,11,266	28,85,84,341
Trade Payables			
8			
- For Supplies and Services		7,71,44,849	12,45,15,506
- For Expenses and Others		-	-
		7,71,44,849	12,45,15,506
Other Current Liabilities			
(a) Current Maturities of Long Term Debt			
		17,07,428	55,38,437
(b) Other Payables			
(i) Statutory Remittances		6,86,995	8,73,290
(ii) Advances from Customers		21,05,438	16,36,360
		44,99,861	80,48,087
Short-Term Provisions			
10			
Provision for others			
(a) Provision for Taxes (Net of Advance Tax)		(20,645)	28,30,506
(b) Provision for Expenses		2,39,50,826	1,46,60,093
		2,39,30,181	1,74,90,599

SHARAT INDUSTRIES LIMITED : NELLORE
Notes forming part of the Financial Statements

Note - 11 : Fixed Assets

Sl.No	Tangible Assets	Gross Block			DEPRECIATION			NET BLOCK			
		As At April 01, 2016	Additions	Deletions	As At March 31, 2017	Upto March 31, 2016	For the year	Deletions	Upto March 31, 2017	As At March 31, 2017	As At March 31, 2016
A	Tangible Assets										
1	Land Freehold	3,75,09,372	1,39,62,300	-	5,14,71,672	-	-	-	-	5,14,71,672	3,75,09,372
2	Building Owned	17,02,46,703	3,26,600	-	17,05,73,303	8,23,78,430	50,48,972	-	8,74,27,402	8,31,45,901	8,78,68,273
3	Plant and Equipment Owned	32,34,26,734	73,74,396	-	33,08,01,130	16,74,05,520	1,20,05,610	-	17,94,11,130	15,13,90,000	15,60,21,214
4	Furniture & Fixtures Owned	34,65,344	4,91,943	-	39,57,287	5,33,018	3,52,902	-	8,85,919	30,71,368	29,32,326
5	Vehicles Owned	3,03,53,810	27,57,756	12,15,444	3,18,96,122	81,74,148	50,11,042	6,65,558	1,25,19,632	1,93,76,490	2,21,79,662
6	Office Equipment Owned	25,26,895	3,27,133	-	28,54,028	8,80,259	4,31,573	-	13,11,832	15,42,196	16,46,636
7	Lab Equipments Owned	-	71,965	-	71,965	-	3,614	-	3,614	68,351	-
8	Computers Owned	13,24,936	69,800	-	13,94,736	8,47,724	2,75,988	-	11,23,712	2,71,024	4,77,212
9	Electrical Fixtures Owned	1,18,42,242	1,05,490	-	1,19,47,732	60,44,019	11,37,385	-	71,81,404	47,66,328	57,98,223
10	Pond Construction Owned	20,27,79,081	-	-	20,27,79,081	16,21,14,318	21,58,613	-	16,42,72,930	3,85,06,151	4,06,64,764
11	Jetty Owned	3,51,87,618	-	-	3,51,87,618	2,98,39,417	3,58,685	-	3,01,98,103	49,89,515	53,48,201
		(A)	81,86,62,736	2,54,87,383	84,29,34,675	45,82,16,854	2,67,84,384	6,65,558	48,43,35,680	35,85,98,995	36,04,45,882
B	Intangible Assets										
1	Software	4,63,905	-	-	4,63,905	43,367	46,391	-	89,757	3,74,148	4,20,538
		(B)	4,63,905	-	4,63,905	43,367	46,391	-	89,757	3,74,148	4,20,538
		(A+B)	81,91,26,641	2,54,87,383	84,33,98,580	45,82,60,220	2,68,30,775	6,65,558	48,44,25,437	35,89,73,143	36,08,66,421
		Previous Year	75,19,59,751	6,71,66,890	81,91,26,641	41,48,11,305	4,34,48,915	-	45,82,60,220	36,08,66,421	33,71,48,447

SHARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Capital Work in Progress :	12		
Building		2,48,200	-
Fencing		9,72,000	-
		12,20,200	-
Long Term Loans and Advances:	13		
(a) Security Deposits			
Unsecured, considered good		2,05,43,843	1,95,74,059
Less: Provision for Doubtful Deposits	(a)	-	-
		2,05,43,843	1,95,74,059
(b) Mat Credit Entitlement	(b)		
Unsecured, considered good		2,62,73,348	2,12,19,240
(c) Loans and Advances	(c)		
Unsecured, considered good		-	2,29,65,528
Less: Provision for Doubtful Loans and advances		-	-
		4,68,17,191	6,37,58,827
Total (a+b+c)			
Inventories :	14		
(As valued and certified by the Management)			
(i) Raw Materials		13,99,19,068	13,65,09,516
(ii) Finished Goods		20,14,02,645	22,44,42,513
(iii) Stock of Stores and Spares		91,85,558	-
		35,05,07,271	36,09,52,029
Trade Receivables :	15		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, Considered good		44,19,181	1,03,26,807
Less : Provision for Doubtful Trade Receivables	(A)	-	-
		44,19,181	1,03,26,807
Other Trade Receivables	(B)		
Unsecured, considered good		10,66,88,099	16,31,27,723
Less : Provision for Doubtful Trade Receivables		-	-
		10,66,88,099	16,31,27,723
TOTAL (A+B)		11,11,07,280	17,34,54,530
Cash and Cash Equivalents :	16		
(a) Cash on hand		3,12,647	3,35,688
(b) Balances with Banks:			
i) in Current Accounts		1,67,46,968	3,08,62,250
ii) in EEFC Accounts		4,09,266	-
iii) in Deposit Accounts		72,899	55,489
iv) in Earmarked Accounts		2,62,80,952	1,77,36,675
		4,38,22,732	4,89,90,102
Short Term Loans and Advances :	17		
(a) Loans and Advances to Employees			
Unsecured, considered good		3,500	6,672
Less : Provision for Doubtful Advances		-	-
		3,500	6,672
(b) Prepaid Expenses		4,45,508	5,63,165
(c) Balances with Government Authorities		37,62,529	30,22,049
(d) MAT Credit Entitlement		-	60,61,990
(e) Others		5,91,85,433	1,61,27,810
		6,33,96,970	2,57,81,685

SHARAT INDUSTRIES LIMITED				
Notes forming part of the Financial Statements				
Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016	
Revenue from Operations:	18			
(a) Sale of Products		1,49,17,36,821	1,40,40,48,456	
(b) Sale of Services		57,70,814	2,44,99,677	
(c) Other Operating Revenues		7,91,40,245	4,93,53,329	
		1,57,66,47,880	1,47,79,01,462	
Sale of Products:				
Sale of Shrimp - Export		1,01,89,30,781	69,31,76,736	
Sale of Feed		43,64,05,630	68,40,34,856	
Sale of Seed		15,12,100	1,78,88,160	
Sale of Raw Shrimp		3,25,15,810	55,06,954	
Sale of Chemicals		23,72,500	34,41,750	
		1,49,17,36,821	1,40,40,48,456	
Sale of Services:				
Job Work Charges (ITC)		57,70,814	2,44,99,677	
		57,70,814	2,44,99,677	
Other Operating Revenue:				
Export Incentives		7,64,16,310	4,54,88,780	
Sale of Scrap		27,23,935	34,65,986	
Processing charges		-	3,98,563	
		7,91,40,245	4,93,53,329	
Other Income :	19			
(a) Interest Income				
Interest Income on:				
Bank Deposits		20,01,250	20,12,209	
Others		15,01,147	6,96,177	
(b) Net gain on Foreign Currency Transactions		91,00,486	80,22,503	
(c) Other Non-Operating Income		6,49,98,349	99,35,304	
		7,76,01,232	2,06,66,193	
Cost of Materials Consumed:	20			
Consumption of Raw Materials and Packing Materials				
Opening Stock		13,65,09,516	10,25,27,680	
Add: Purchases		1,20,38,21,084	1,02,18,60,324	
		1,34,03,30,600	1,12,43,88,004	
Less: Closing Stock		13,99,19,068	13,65,09,516	
		1,20,04,11,532	98,78,78,488	
Changes in Inventory of finished goods:	21			
Inventories at the end of the year				
Finished Goods - Frozen Shrimp		18,15,23,145	20,68,55,263	
Finished Goods - Feed		1,98,79,500	1,75,87,250	
		20,14,02,645	22,44,42,513	
Inventories at the beginning of the year				
Finished Goods - Frozen Shrimp		20,68,55,263	24,66,88,845	
Finished Goods - Feed		1,75,87,250	1,58,76,045	
		22,44,42,513	26,25,64,890	
		2,30,39,868	3,81,22,377	

SHARAT INDUSTRIES LIMITED				
Notes forming part of the Financial Statements				
Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016	
Employee Benefits Expense :	22			
Salaries, wages and bonus		6,42,33,227	8,05,53,188	
Staff Welfare and contribution to other Funds		55,18,634	72,32,347	
		6,97,51,861	8,77,85,535	
Finance Costs :	23			
Interest Expense on:				
(i) Interest		4,67,04,789	3,85,52,421	
(ii) Other Borrowing Costs		3,21,158	-	
		4,70,25,947	3,85,52,421	
Other Expenses	24			
Manufacturing Expenses				
Power & Fuel		5,02,50,164	6,27,53,456	
Repairs & Maintenance				
- Buildings		23,39,347	27,33,096	
- Plant & Machinery		6,70,342	28,44,407	
- Electricals		10,92,448	16,64,269	
Other Manufacturing Expenses		6,89,08,989	8,38,51,108	
	(a)	12,32,61,290	15,38,46,336	
Selling Expenses				
Advertisement		16,77,803	32,79,369	
Ocean freight and export expenses		4,16,23,575	4,60,54,875	
Marketing Expenses		48,58,583	49,43,748	
Turnover & Other Discounts		3,22,48,904	2,74,61,853	
	(b)	8,04,08,865	8,17,39,845	
Other expenses				
Audit Fees		-	-	
For Statutory Audit		2,50,000	2,50,000	
For Taxation purpose		2,00,000	2,00,000	
Return preparation		1,00,000	1,00,000	
For Other Services		2,03,000	77,000	
Audit Expense		660	1,09,918	
Bank Charges		29,36,330	14,28,013	
Bad Debts		2,60,61,657	59,99,458	
Donation		21,000	2,00,000	
Consultancy Fees		33,12,525	47,54,753	
Communication Expenses		12,99,868	12,15,376	
General Expenses		17,30,382	18,07,969	
Gratuity		-	40,469	
Fuel Charges		1,18,446	1,41,726	
Insurance		13,98,126	8,68,786	
Legal, Statutory & Documentation Charges		5,36,157	3,26,589	
Loss on sale of vehicle		2,94,886	-	
Inspection Charges		9,64,251	55,965	
Office Maintenance		6,32,492	9,12,870	
Printing & Stationery		24,39,233	26,52,716	
Registration & Renewals		6,10,999	7,16,397	
Rates & Taxes		8,58,034	6,44,573	
Security Charges		45,45,216	44,76,416	
Office Rent		12,59,000	11,38,500	
Travelling & Conveyance Expenses		41,13,179	49,05,757	
Vehicles Maintenance		21,90,889	22,32,418	
Service Tax		80,552	-	
Sales Tax		2,52,465	46,875	
	(c)	5,64,09,347	3,53,02,544	
Grand Total (a+b+c)		26,00,79,501	27,08,88,725	
Earnings per Share	25			
Profit / (Loss) After Tax attributable to Equity Shareholders		1,82,79,411	2,09,33,837	
Weighted average number of equity shares		22012500	22012500	
Basic & Diluted Earnings per Share		0.83	0.95	
Face Value of the Share		10.00	10.00	

Note No. 26: Accounting Year:

The current accounting year consists of 12 months from April 1, 2015 to March 31, 2016.

Note No. 27: Taxes & Duties:

a) Income Tax: The assessments for and up to the assessment year 2013-2014 have been completed.

Note No. 28: Secured Loans:

The Company has obtained and extended the same Working Capital Limit of -30 Crores from THE FEDERAL BANK LIMITED, 61, Anna Salai, Chennai, against the hypothecation of Company's Fixed Assets and Current Assets including Stock.

Note No. 29: Excise Duty on Closing Inventory of Feed:

The Company has opted out of 100% EOU, under the EPCG Scheme. All the Customs and Excise Duties resulting after the debonding have been paid in full. Henceforth, there is no liability on feed manufactured by the Company and hence no provision is made for Excise Duty on Inventory of Shrimp Feed.

Note No. 30: Auditors' Remuneration:

Particulars	Current Year	Previous Year
Audit Fees	2,50,000	2,50,000
Tax Audit	2,00,000	2,00,000
Tax Representation & Others	1,00,000	1,00,000
Service Tax	77,000	77,000

Note No. 31: Foreign Currency:**Inflow:**

Foreign Exchange Inflow on account of Export of Sales US \$ 1,54,10,267 equivalent to Rs.1,02,45,89,037/- (P.Y: US \$ 1,12,71,584.39 equivalent to Rs. 73,78,49,959/-)

Outflow:

Foreign Exchange Outflow on account of import of Capital Goods & Raw Materials US \$ 2,12,559.19 equivalent to Rs.1,43,27,048/- (P.Y: US \$ 4,98,848.45 equivalent to Rs. 3,27,44,548/-)

Note No. 32 : The quantitative information required to be disclosed as per paragraphs 3 & 4 of Part II of Schedule - III to the Companies Act, 2013 have not been furnished, as they have been exempted vide Notification F. No. 51/12/2007 - CL.III date 8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India.

Note No. 33: Deferred Tax: Deferred Tax Asset (net) as at March 31, 2015 comprises of:

Particulars	As per Books	As per I.T Act	Difference
Deferred Tax Liability:			
Gross Block as on 31.3.17 (Excluding Land)	79,19,26,908	26,26,93,944	52,92,32,964
Depreciation	48,44,25,437	3,44,88,364	44,99,37,073
	32,33,57,049	22,82,05,580	7,92,95,891
Tax	@30% on	7,92,95,891	2,37,88,767
Surcharge	@7% on	2,37,88,767	16,65,214
Education Cess	@3% on	2,54,53,981	7,63,619
Deferred Tax Liability			2,62,17,600
Deferred Tax Liability as on 31.03.2017			2,62,17,600
Deferred Tax Liability as on 31.03.2016			2,37,83,270
Increase in Deferred Tax Liability debited to Statement of Profit & Loss			(24,34,330)

Note No. 34: Contingent Liabilities:

A. Claims against the Company not acknowledged as debts :

S. No.	Particulars	Current Year (. in Lakhs)	Previous Year (. in Lakhs)
i)	Customs Duty and Excise Duty	76.31	76.31
ii)	Service Tax (. 15.75 Lakhs paid before Balance Sheet date.)	31.50	31.50

B. Bank Guarantees issued on behalf of the Company:

S. No.	Particulars	Current Year (. in Lakhs)	Previous Year (. in Lakhs)
i)	Oriental Bank of Commerce	1.50	1.50
ii)	Federal Bank	54.37	194.83

Note No. 35: Segment Reporting :

The Company's only Business is Integrated Aqua Culture and related activities and hence disclosure of segment wise information is not applicable as required as per Accounting Standard-17 notified by the Company's (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are in India.

Note No.36 : Disclosure of Specified Bank Notes :

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the

notification are as follows

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	18,56,000	8,87,255	27,43,255
(+) Permitted Receipts	-	22,30,647	22,30,647
(-) Permitted Payments	-	29,42,676	29,42,676
(-) Amount deposited in Banks	18,56,000	-	18,56,000
Closing cash in hand as on 30.12.2016	-	1,75,226	1,75,226

Note No. 37: Related Party Disclosures :

Information relating to related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given below:

I. List of Related Parties:

Sl. No.	Name of the Related Party	Relationship
1	S. Prasad Reddy	Key Managerial Person (Chairman & Managing Director)
2	S. Sharat Reddy	Whole-time Director (Son of Managing Director)
3	S. Devaki Reddy	Relative of Key Managerial Person (Wife of MG. Director)

II. Transactions with Related Parties:

Related Party	2016-17	2015-16
<u>Remuneration</u>		
S. Prasad Reddy	72,00,000	72,00,000
S. Sharat Reddy	42,00,000	42,00,000
<u>Land Lease</u>		
S. Prasad Reddy	16,50,000	16,50,000
<u>Building Rent</u>		
S. Devaki Reddy	8,20,000	7,20,000

Note No. 37: Micro, Small and Medium Enterprises :

The Company has not received any information from the suppliers as regards their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule - III of the Companies Act, 2013 could not be provided. However, no interest accrued / paid during the year to any of the suppliers.

Note No.38 : Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

for P.A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

P. ASHOK REDDY
Partner
M. No: 023202

S. PRASAD REDDY
Chairman & Managing Director
DIN : 00069094

Veerraju Manda
Director
DIN : 03164917

Place: Nellore
Date: 30.05.2017

V.C. Rama Krishna
Chief Financial Officer

SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)
Regd. Office: VENKANNAPALEM VILLAGE,
T.P. Gudur Mandal,Nellore District,Andhra Pradesh.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(to be handed it over at venue of the meeting)

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Avanti Leathers Limited.

DP ID* Folio No.

Client ID* No. of Shares

* Applicable for investors holding shares in electronic form

I hereby record my presence at the 27th Annual General Meeting of the company held on 28th day of September, 2017 at 10.00 A. M at Venkannapalem Village, T.P. Gudur Mandal,Nellore District,Andhra Pradesh.

Name and Address of Member

Signature of Shareholder / proxy/Representative

**SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)**

Regd. Office: VENKANNAPELEM VILLAGE,
T.P. Gudur Mandal, Nellore District, Andhra Pradesh.

**Form No MGT-11
Proxy Form**

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

CIN	CIN: L05005AP1990PLC011276
Name of the Company	SHARAT INDUSTRIES LIMITED
Registered office	VENKANNAPELEM VILLAGE, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

i/ We, being the member(s) ofshares of the above named company, hereby appoint

1	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	
2	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	
3	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 27th Annual General meeting of the Company, to be held on Thursday, 28th day of September, 2017 at 10.00 A. M at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh and at any adjournment thereof in respect of such resolution as are indicated below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Re-appointment of Mr. S. Sharat Reddy, Director who retires by rotation		
3. Appointment of Statutory Auditors		
4. Re-appointment and paying remuneration to Mr. S. Sharat Reddy, as Whole time Director		

Signed thisday of2017
Signature of Shareholder.....
Signature of Proxy holder(s).....

**Affix
Revenue
Stamp**

Note: This 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.

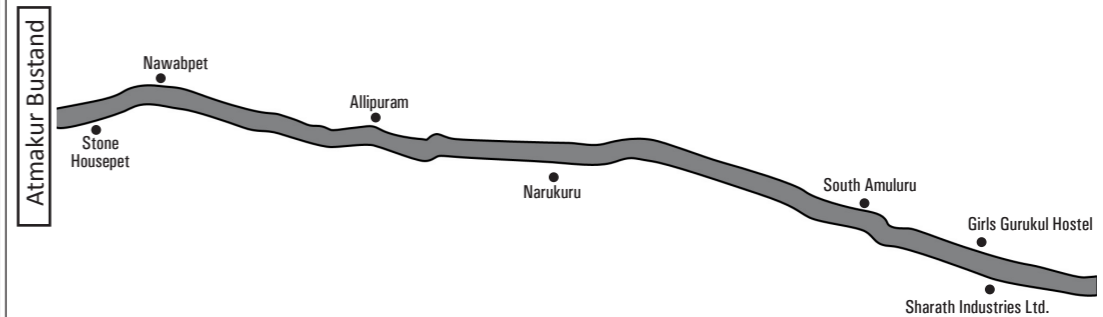
SHARHOLDER'S INFORMATION

Share holders are requested to please furnish the following details for updating the records and comply with regulations and to serve you better.

Name(s)	
Folio No.	
No. of Shares	
Address:	
e-mail address	
PAN	
Specimen Signature 1	
Specimen Signature 2	

Note: please scan and send the copy of PAN CARD, Proof of Address, and specimen signature attested by bank manager for your safety and demat purpose, along with the above details.

ROUTE MAP



PRINTED MATTER
BOOK-POST



IF UNDELIVERED, PLEASE RETURN TO :
SHARAT INDUSTRIES LIMITED
D. No. 16-2-405, Srinivasa Agraharam,
Opp. Manas Apartments, Mini bypass Road,
Nellore - 524 002.