



# SHARAT INDUSTRIES LIMITED

29TH ANNUAL REPORT (ABRIDGED)  
2018-2019

**BOARD OF DIRECTORS**

1. Mr. S. Prasad Reddy  
Managing Director
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. Durga Thota  
Woman Independent Director

**STATUTORY AUDITORS**

M/s A.R. Krishnan & Associates,  
Chartered Accountants,

**INTERNAL AUDITORS**

SSRG & Associates, Chartered Accountants

**CHIEF FINANCIAL OFFICER**

Mr.V.C. Rama Krishna Kumar -upto 13.02.2019

Mr. Vivekanada Gupta - From 13.02.2019

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Kshetramohan Hota - upto 10.10.2018

Mrs. C. Rubavathy - From 10.10.2018

**BANKERS**

THE FEDERAL BANK LIMITED

**REGISTERED OFFICE**

Venkannapalem Village  
T.P.Gudur Mandal  
SPSR Nellore District  
Andhra Pradesh 524 405

**CORPORATE OFFICE**

Flat No.4, Third Floor, Pallavi Apts  
No.57/11 HDFC Bank Compound  
First Main Road, R.A.Puram  
Chennai 600 028

**REGISTRARS AND SHARE TRANSFER AGENTS**

M/s Cameo Corporate Services Limited,  
Subramanian Building,  
No.1 Club House Road,  
Chennai 600 002,

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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 Ninth Annual General Meeting** of the Members of the Company will be held on Tuesday, **the 24th September, 2019**, at 10.00 a.m. in the registered office of the Company at, Venkannapalem, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, 524 405 to transact the following business;

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 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.

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM  
DATE: 12<sup>th</sup> August 2019

S. PRASAD REDDY  
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 its 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 18th September 2019 to 24th September 2019. (both days inclusive)
3. Members are requested to notify immediately any change of address:
  - i. to their Depository Participants ("DPs") in respect of the shares held in electronic form, and
  - ii. to the Company or its RTA (Cameo Corporate Services Ltd), in respect to the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc. **(FORMAT ENCLOSED IN PAGE NO 31)**
5. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately the change in the residential status on return to India for permanent settlement or the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier
6. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account No., name of the Bank, Branch, IFSC code, MICR code and

place with PIN Code) to their respective Depository Participants and not to the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA.

7. The Company has entered into agreements with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). The Depository System envisages the elimination of several problems involved in the Physical Share certificate system such as bad deliveries, fake certificates, thefts in postal transit, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.
8. The company’s equity shares are listed with Bombay Stock Exchange Ltd. The suspension of share trading has been revoked w.e.f 5.7.2019.
9. 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.
10. 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.
11. SEBI notification dated June 08, 2018 and the press release dated 03.12.2018 amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Pursuant the amended provisions, from 01.04.2019 request for effecting transfer of physical shares certificates shall not be processed except in case of transmission or transpositions of shares unless the shares are held in demat. Therefore, the members are advised to take immediate steps for dematerializing your physical shareholding in the company.
12. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company at the registered office of the company Ph: 044-24357868 / 044-24347867 email id: cs@sharatindustries.com or its Registrars and Share transfer Agents, M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600 002, Tamilnadu Ph: 91-44-28460390 / 91-44-40020700 email id: investor@cameoindia.com by quoting the Folio number or the Client ID number with DP ID number.
13. 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.
14. 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 / RTA. **(FORMAT ENCLOSED IN PAGE NO 31)**
15. 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.

16. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode. **(FORMAT ENCLOSED IN PAGE NO 31)** In other cases, hard copy of the Abridged Annual Report is being sent to the members by the permitted mode. The members who are desirous of receiving the full Annual Report may write to the Company / RTA for a copy of the same.
17. Members may also note that the notice of the Annual General Meeting and the full Annual Report will also be available on the Company's website [www.sharatindustries.com](http://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.
18. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on September 11th, 2019 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting/ voting through electronic ballot at the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.
19. The members can opt for only one mode of voting i.e. either by remote e-voting or voting through electronic ballot at the meeting. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through electronic ballot. The members who have cast their vote by remote e-voting are eligible to attend the meeting but shall not be entitled to cast their vote again.
20. The Board of Directors has appointed Mr M.V.V. Prasada Reddy (Membership No. FCS 7390) Practicing Company Secretary, as the Scrutinizer to scrutinize the remote e-voting and voting process at the venue, in a fair and transparent manner
21. 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 Nineth Annual General Meeting (AGM) by electronic means and the business may be transacted through e- voting services provided by CDSL.
  - (ii) The voting period begins on 21-09-2019 at 9.00 a.m. and ends on 23-09-2019 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 17-09-2019, 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](http://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](http://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> <p>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</p> <p>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.</p>
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> <p>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).</p>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

## GENERAL INFORMATION PURSUANT TO THE SECOND PROVISIO (IV) TO SECTION II (B) OF PART II OF

### SCHEDULE V

#### I. GENERAL INFORMATION

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	(Rs. In Lakhs)		
		<b>2018-19</b>	<b>2017-18</b>	
		Gross Revenue	19565.91	14875.02
		Total Expenditure	19211.31	14720.93
		Financial Expenses	561.57	440.27
	Operating Profit	916.17	594.36	
5.	Export performance and net foreign exchange:	Rs. 107,49,20,883		
6.	Foreign Investments or collaborators, if any	Nil		

**II OTHER INFORMATION:**

- Reasons for inadequacy of Profits: low market demands during the major portion of the financial years contributed to reduced output. High volatility in cost and sale price resulted in lower operation profits.
- Steps taken or proposed to be taken for improvement: The company is focusing on increasing its market share by adding new dealers & distributors to its feed division. The company is also working actively to increase the customer base for its export division
- Expected increase in productivity and profits in measurable terms: The company is planning to scale up the growth upto 20% thereby increasing profitability at 50%.

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

DATE: 12<sup>th</sup> August 2019

MANAGING DIRECTOR

**(ANNEXURE TO NOTICE DATED AUGUST 12, 2019)****DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING****[Pursuant to Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]**

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	24,63,800

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM  
DATE: 12<sup>th</sup> August 2019

S. PRASAD REDDY  
MANAGING DIRECTOR

## DIRECTORS REPORT

### 1. FINANCIAL HIGHLIGHTS

Particulars	Year ending 31.03.2019 (Rs.in lakhs)	Year ending 31.03.2018 (Rs.in lakhs)
<b>Revenue from operation</b>	19442.74	14773.82
<b>Other Income</b>	123.17	101.20
<b>Profit before Depreciation and Interest</b>	1242.55	862.33
<b>Less: Interest – finance cost</b>	561.57	440.27
Depreciation	326.38	267.97
<b>Profit Before Exceptional items and Tax</b>	354.59	154.09
<b>Exceptional items</b>	-	-
<b>Provision for Tax</b>	64.53	46.75
<b>Profit after Tax</b>	290.06	107.34
Other comprehensive income net of tax.	(0.52)	6.39
<b>Total comprehensive income for the year</b>	289.53	113.73

### 2. SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS:

The turnover of the company for the year ended 31st March, 2019 was Rs. 19442.74 lakhs against Rs.14773.82 lakhs in the previous year. During the year the company made sales of Rs.17917.47 lakhs against Rs. 13701.04 lakhs in the previous year, Job work receipts of Rs. 479.06 lakhs against Rs. 181.01 lakhs in the previous year and during the year the company has made an operating profit before tax of Rs. 354.59 lakhs against Rs. 154.09 lakhs in the previous year. During the year, the company's sale increased by 30.77% and revenue from job work increased by 164.67% as compared to the previous financial year.

Sharat Industries Ltd is one of the very few companies in India which has all 4 divisions located within a 5 kilometer radius. All the divisions work together to ensure that there is continuous production through the year despite pre-existing seasonality in the business in general. This results in high quality produce due to quick processing and reduced logistics. The Company has invested significantly in the capex of its farm and processing divisions in recent years to further boost the production capacity.

The shortfall in market demand during the year and price fluctuations were the key factors for inappreciable profits. The company is exploring alternate market facilities to increase export volume and lower operating costs. The directors are confident that the performance of the

company will improve in the years to come.

**3. DIVIDEND:** In order to retain profits, the Board of Directors is not recommending dividend. Yet, the Company is very positive about the future outlook with increasing sales and profits

**4. DETAILS OF FRAUDS, IF ANY, REPORTED.**

The Statutory Auditors of the Company have not reported any fraud in their report

**5. AUDITORS' REPORT, OBSERVATIONS AND REPLIES**

The Auditors' Report does not contain any qualification. The notes to accounts referred to in their report are self-explanatory and do not call for any further comments

**6. 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.

**7. 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 to conduct the Secretarial Audit of the Company for year ended March 31, 2019 With reference to the observations made, i.e., There were delays in filing MCA Forms. There was a delay in publishing unaudited financial result under regulation 47(3) of LODR for the Half year ended 30.9.2018. We state that the unintended delays in filings were due to over sight and Technical reasons. Other than above mentioned, the Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and disclaimer

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPALEM  
DATE: 12<sup>th</sup> August 2019

S. PRASAD REDDY  
MANAGING DIRECTOR

**INDEPENDENT AUDITORS' REPORT  
ON THE ABRIDGED STANDALONE FINANCIAL STATEMENTS**

**To The Members of**

**SHARAT INDUSTRIES LIMITED**

**Report on the Abridged Standalone Ind AS Financial Statements**

**Opinion**

The accompanying abridged standalone Ind AS financial statements which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and related notes, are derived from the audited Standalone Financial Statement of Sharat Industries Limited (hereinafter referred to as “the Company”) for the year ended 31 March 2019. We expressed an unmodified audit opinion on those standalone financial statement vide our report dated 27 May 2019.

The abridged standalone financial statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 (‘the Act’) and accounting principles generally accepted in India, applied in the preparation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

In our opinion, the abridged standalone financial statements, prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of Companies (Accounts) Rules, 2014 are derived from the audited standalone financial statements of the Company for the year ended 31 March 2019 and are a fair summary of those standalone financial statements.

**Management’s Responsibility for the Abridged Standalone Financial Statements**

The Company’s Board of Directors is responsible for the preparation of a summary of the audited standalone financial statements in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 and are based on the audited standalone financial statements for the year ended 31 March 2019, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act and accounting principles generally accepted in India.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the abridged standalone financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, “Engagements to Report on Summary Financial Statements” issued by the Institute of Chartered Accountants of India.

**For A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 009805S

Place: Nellore

Date: 27<sup>th</sup> May 2019

**A.SENTHIL KUMAR**

Partner

Membership No : 214611

**INDEPENDENT AUDITORS' REPORT****To The Members of****SHARAT INDUSTRIES LIMITED****Report on the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of Sharat Industries Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit for the year ended on that date.

**Basis of Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**Information other than the financial statements and auditors’ report thereon**

The Company’s board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Business Responsibility Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Independent Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st

March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For A.R.KRISHNAN & ASSOCIATES  
Chartered Accountants  
FRN : 009805S

Place: Nellore  
Date: 27<sup>th</sup> May 2019

A.SENTHIL KUMAR  
Partner  
Membership No : 214611

**“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. Immovable properties of land and buildings whose title deeds have been pledged as security for loans 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 provisions of Section 185 and 186 of the companies Act, 2013 are not applicable to the Company
- 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, 2019 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, 2019, which have not been deposited on account of a dispute except the following

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹. in Lakhs)	Forum where the Dispute is pending
Customs Act, 1962	Customs Duty	2004-2005	76.31	In the High Court of Judicature of Andhra Pradesh at Hyderabad.
Finance Act, 1994 (Chapter IV)	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 A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 009805S

Place: Nellore

Date: 27<sup>th</sup> May 2019

**A.SENTHIL KUMAR**

Partner

Membership No : 214611

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF  
SHARAT INDUSTRIES LIMITED**

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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, 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 A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 009805S

Place: Nellore

Date: 27<sup>th</sup> May 2019

**A.SENTHIL KUMAR**

Partner

Membership No : 214611

**SHARAT INDUSTRIES LIMITED****ABRIDGED STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2019**

**(Pursuant to first proviso to sub-section (1) of section 136 of the Act and proviso to rule 10 of the Companies (Accounts) Rules, 2014)**

	Particulars	As At Mar 31, 2019 (₹)	As At Mar 31, 2018 (₹)
<b>I</b>	<b>ASSETS</b>		
	<b>(1) Non-Current Assets</b>		
	(a) Property, Plant & Equipment	432,830,033	371,190,239
	(b) Capital Work in Progress	2,699,426	6,666,513
	(c) Intangible Assets	478,749	576,647
	(d) Intangible Assets under Development	-	-
	(e) Financial Assets	-	-
	(f) Deferred Tax Asset	-	-
	(g) Other Non-Current Assets	13,953,081	13,567,982
	<b>Total Non-Current Assets</b>	<b>449,961,289</b>	<b>392,001,381</b>
	<b>(2) Current Assets</b>		
	(a) Inventories	407,909,891	350,860,556
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade Receivables	417,140,220	231,174,647
	(iii) Cash and Cash Equivalents	15,365,998	10,134,246
	(iv) Bank Balances Other than (iii) above	47,118,677	38,746,325

	(v) Others	-	-
	(c) Other Current Assets	83,161,814	77,250,997
	<b>Total Current Assets</b>	<b>970,696,600</b>	<b>708,166,772</b>
	<b>TOTAL ASSETS</b>	<b>1,420,657,889</b>	<b>1,100,168,153</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>		
	<b>(1) Equity</b>		
	(a) Equity Share Capital	220,125,000	220,125,000
	(b) Other Equity	310,051,139	281,525,624
	<b>Total Equity</b>	<b>530,176,139</b>	<b>501,650,624</b>
	<b>(2) Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	146,440,362	92,928,279
	(ii) Other Financial liabilities[other than those specified in (b) below]	-	-
	(b) Provisions	1,966,972	1,432,804
	(c) Deferred Tax Liabilities (Net)	391,696	1,425,128
	<b>Total Non-Current Liabilities</b>	<b>148,799,030</b>	<b>95,786,211</b>
	<b>(3) Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	446,636,610	339,018,474
	(ii) Trade Payables	221,794,928	136,835,289
	(iii) Other Financial liabilities[Other than those specified in (c) below]	21,710,026	481,890
	(b) Other Current Liabilities	1,842,357	4,554,033
	(c) Provisions	49,698,799	21,841,633
	<b>Total Current Liabilities</b>	<b>741,682,720</b>	<b>502,731,318</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,420,657,889</b>	<b>1,100,168,153</b>
	Annexure I forms and integral part of the abridged standalone financial statements		

Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at [www.sharatindustries.com](http://www.sharatindustries.com). Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

**For A.R.Krishnan & Associates**  
Chartered Accountants  
F.R. No. 009805S

**For and on behalf of the Board of Directors**

**S.Prasad Reddy**  
Managing Director  
DIN : 00069094

**S.Sharat Reddy**  
Executive Director  
DIN : 02929724

**A.Senthil Kumar**  
Partner  
M.No. 214611

**Place : Nellore**  
**Date : 27-05-2019**

**P.Vivekananda Gupta**  
Chief Financial Officer

**C. Rubavathy**  
Company Secretary

## SHARAT INDUSTRIES LIMITED

## Abridged Standalone statement of Changes in Equity

## A. Equity Share Capital

(₹)

Balance at the beginning of The Reporting period 01-Apr-18	Changes in equity Share capital during the year	Balance at the end of the Reporting period 31-Mar-19
1	2	3
220,125,000	0	220,125,000

## B. Other Equity

(₹)

Particulars	Balance at the beginning of The Reporting period 01-Apr-18	Changes in Accounting Policy or prior period errors	Restated balance at the beginning of The reporting period	Total Comprehensive Income for the Year	Dividends	Transfer to Retained Earnings	Any other change To be specified	Balance at the end of the Reporting period 31-Mar-19
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Share application money pending allotment								-
Equity component of compound financial instruments Reserves and Surplus								-
(i) Capital Reserve	140,832,436	-	-	-	-	-	-	140,832,436
(ii) Securities Premium Reserve	-							-
(iii) Other Reserves (specify nature)								-
- Capital Subsidy	428,315					-428,315		-

(iv) Retained Earnings	140,264,873					28,953,830				169,218,703
Debt instruments through Other Comprehensive Income										-
Equity instruments through Other Comprehensive Income										-
Effective portion of Cash Flow Hedges										-
Revaluation Surplus										-
Exchange differences on translating the financial statements of a foreign operation										-
Other items of Other Comprehensive Income (specify nature)										-
Money received against share warrants										-
Total	281,525,624	-	-	-	-	28,953,830	-	-428,315	-	310,051,139

## SHARAT INDUSTRIES LIMITED

## Statement of Profit and Loss for the Year Ended March 31,2019

	Particulars	For the Year ended March 31, 2019 (₹)	For the Year ended March 31, 2018 (₹)
I	Revenue from Operations	1,944,274,098	1,477,382,378
II	Other Income	12,317,120	10,119,648
III	<b>Total Income (I+II)</b>	<b>1,956,591,218</b>	<b>1,487,502,026</b>
IV	<b>Expenses</b>		
	<b>(a) Cost of Materials Consumed</b>	1,537,043,489	1,176,343,785
	(b) Purchase of Stock in trade	-	-
	(c) Changes in Inventory	(95,907,858)	(64,441,798)
	(d) Employee Benefits Expense	87,654,069	74,501,506
	(e) Finance Costs	56,157,845	44,026,938
	(f) Depreciation and Amortisation Expense	32,638,288	26,797,329
	(g) Other Expenses	303,545,741	214,864,906
	<b>Total Expences (IV)</b>	<b>1,921,131,574</b>	<b>1,472,092,665</b>
V	<b>Profit Before Exceptional items and Tax (III-IV)</b>	<b>35,459,644</b>	<b>15,409,360</b>
VI	<b>Exceptional Items</b>	-	-
VII	<b>Profit Before Tax (V-VI)</b>	<b>35,459,644</b>	<b>15,409,360</b>
VIII	<b>Tax Expense</b>		
	(a) Current Tax	7,486,968	3,194,677
	(b) Mat Credit Entitlement	1,198,652	(899,880)
	(c) Deferred Tax	(2,232,084)	2,380,756
IX	<b>Profit /(Loss) for the year (VII-VIII)</b>	<b>29,006,108</b>	<b>10,733,807</b>
X	<b>Other Comprehensive Income</b>		
	Items that will not be reclassified to profit/(loss)	(52,278)	639,403
XI	<b>Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [IX+X])</b>	28,953,830	11,373,210
XII	<b>Earnings per Equity Share [Nominal Value of Rs.10/- per share]</b>		
	(1) Basic	1.32	0.52
	(2) Diluted	1.32	0.52
	Face Value of the Share	10.00	10.00
	Annexure I forms and integral part of the abridged standalone financial statements		

Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at [www.sharatindustries.com](http://www.sharatindustries.com). Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

**For A.R.Krishnan & Associates**  
Chartered Accountants  
F.R. No. 009805S

**For and on behalf of the Board of Directors**

**S.Prasad Reddy**  
Managing Director  
DIN : 00069094

**S.Sharat Reddy**  
Executive Director  
DIN : 02929724

**A.Senthil Kumar**  
Partner  
M.No. 214611  
Place : Nellore  
Date : 27-05-2019

**P.Vivekananda Gupta**  
Chief Financial Officer

**C. Rubavathy**  
Company Secretary

**SHARAT INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

S. No	Particulars	For the Year ended March 31, 2019 (₹)	For the Year ended March 31, 2018 (₹)
A	CASH FLOW FROM OPERATING ACTIVITIES	(34,121,223)	(26,727,081)
B	CASH FLOW FROM INVESTING ACTIVITIES	(86,847,535)	(40,335,463)
C	CASH FLOW FROM FINANCING ACTIVITIES	126,200,510	33,393,199
D	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	5,231,752	(33,669,346)
E	Cash and Cash Equivalents at the beginning of the year	10,134,246	43,803,592
F	Cash and Cash Equivalents at the end of the year	15,365,998	10,134,246
	Cash and Cash Equivalents at the end of the year		
	Comprises:		
	Cash on hand	536,229	183,760
	Balance with Banks		
	- in Current Accounts	14,829,769	9,950,486
	- in Deposit Accounts	-	-
		15,365,998	10,134,246

Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at [www.sharatindustries.com](http://www.sharatindustries.com). Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

**For A.R.Krishnan & Associates**  
Chartered Accountants  
F.R. No. 009805S

**For and on behalf of the Board of Directors**

**S.Prasad Reddy**  
Managing Director  
DIN : 00069094

**S.Sharat Reddy**  
Executive Director  
DIN : 02929724

**A.Senthil Kumar**  
Partner  
M.No. 214611  
Place : Nellore  
Date : 27-05-2019

**P.Vivekananda Gupta**  
Chief Financial Officer

**C. Rubavathy**  
Company Secretary



(The note numbers appearing in brackets ( ) are as they appear in the complete set of standalone financial statements)

### Corporate Information

Sharat Industries Limited (“the Company”) is a listed public Company incorporated in the year 1990 in India under the Companies Act, 1956. The Company is in the business of Shrimp Aquaculture and manufacturer and sale of shrimp feeds.

### 1 Basis of Preparation of Financial Statements

#### Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘Act’) read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

### 2. Cash and Cash Equivalents

<b>(7) Cash and Cash Equivalents</b>		
Particulars	As at Mar 31, 2019 (₹)	As at Mar 31, 2018 (₹)
<b>Cash and Cash Equivalents :</b>		
(a) Cash on hand	5,36,229	1,83,760
(b) Balances with Banks:		
i) in Current Accounts	1,48,29,769	99,50,486
ii) Deposits with original maturity of less than 3 months	-	-
	1,53,65,998	1,01,34,246
<b>Current</b>		-
<b>Non-Current</b>		

### 3. Other Bank Balances

<b>(8) Other Bank Balances</b>		
Particulars	As at Mar 31, 2019 (₹)	As at Mar 31, 2018 (₹)
Bank Balances Other Than Referred Above		
(a) Earmarked balances :		
i) Unclaimed dividend account	-	-
ii) In deposit accounts	4,65,53,190	3,83,42,377
(b) Balances with banks :		
Deposits with original maturity of more than 3 months	-	-
(c) EEFC Balances	5,65,487	4,03,948
(d) Deposit Accounts	-	-
<b>Total</b>	<b>4,71,18,677</b>	<b>3,87,46,325</b>

## 4. Revenue

<b>(20) Revenue</b>		
Particulars	For the year ended Mar 31, 2019 (₹)	For the year ended Mar 31, 2018 (₹)
<b>Revenue from Operations:</b>		
(a) Sale of Products	1,79,17,47,831	1,37,01,04,302
(b) Sale of Services	4,79,06,703	1,81,00,838
(c) Other Operating Revenues	10,46,19,564	8,91,77,238
	<b>1,94,42,74,098</b>	<b>1,47,73,82,378</b>
<b>(a) Sale of Products:</b>		
Sale of Shrimp - Export	1,07,49,20,883	1,00,24,88,955
Sale of Feed	42,88,62,641	26,61,03,474
Sale of Raw Shrimp	31,13,44,975	11,30,04,743
Sale of Chemicals	5,50,937	9,00,250
Sale of Shrimp - Interstate	5,49,190	-
<b>Total</b>	<b>1,81,62,28,626</b>	<b>1,38,24,97,422</b>
<b>Less: Sales Return</b>	(38,81,989)	-
<b>Turnover Discount</b>	(2,05,98,806)	(1,23,93,120)
<b>Net Turnover</b>	<b>1,79,17,47,831</b>	<b>1,37,01,04,302</b>
<b>(b) Sale of Services:</b>		
Job Work Charges	4,79,06,703	1,81,00,838
	<b>4,79,06,703</b>	<b>1,81,00,838</b>
<b>(c) Other Operating Revenue:</b>		
Export Incentives	10,21,07,531	8,38,02,771
Sale of Shrimp shell waste	25,12,033	53,74,467
	<b>10,46,19,564</b>	<b>8,91,77,238</b>

## 5. Other Income

<b>(21) Other Income</b>		
Particulars	For the year ended Mar 31, 2019 (₹)	For the year ended Mar 31, 2018 (₹)
<b>Other Income :</b>		
(a) Interest Income		
(i) On Bank Deposits	26,89,627	22,04,495
(ii) On Others	8,91,616	9,46,091
(b) Net gain on Foreign Currency Transactions	55,46,255	66,29,303
(c) Other Non-Operating Income	26,22,329	3,39,759
(d) Profit on sale of vehicle	5,67,293	-
	<b>1,23,17,120</b>	<b>1,01,19,648</b>

**6 Related party Transactions****(29) Group Structure - Related Party Relationship**

Sl.No	Name of the Related Party	Relationship
1	S.Prasad Reddy	Key Managerial Person (Managing Director)
2	S.Sharat Reddy	Key Managerial Person (Executive Director)
3	S.Devaki Reddy	Relative of Key Managerial Person (Wife of S. Prasad Reddy, Managing Director)

**Related Party Transactions**

Particulars	Name of the company	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of goods	-	-	-
Reimbursement of expenses	-	-	-
Receipt of service	-	-	-
Closing balance	-	-	-

**Transactions with Key Management Personnel:**

Key management Personnel	Particulars of payment	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
S.Prasad Reddy	Remuneration	72,00,000	72,00,000
S.Prasad Reddy	Lease Rent	16,50,000	16,50,000
S.Sharat Reddy	Remuneration	54,00,000	48,00,000
S.Devaki reddy	Rent	8,40,000	8,40,000

**7 Commitments and Contingencies****(31) Commitments and Contingencies****Contingent Liabilities**

The Company is involved in a number of judicial, appellate and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. A summary of claims asserted on the Company in respect of these cases have been summarised below.

**Tax Contingencies**

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	As at March 31, 2019 (₹. in lakhs)	As at March 31, 2018 (₹. in lakhs)
Customs & Excise Duty	76.31	76.31
Service Tax	31.50	31.50

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

**Amount in respect of other claims****Bank Guarantees issued on behalf of the Company**

Name of bank	As at March 31, 2019 (₹. in lakhs)	As at March 31, 2018 (₹. in lakhs)
Oriental bank of Commerce	-	1.50
Federal bank	47.56	54.37

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- The proceedings are in early stages;
- There is uncertainty as to the outcome of pending appeals or motions or negotiations; and/or
- There are significant factual issues to be resolved.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

**8 Segment Reporting****(32) 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.

**9 Previous Year Figures****(35) Previous year figures**

Previous year's figures have been restated, rearranged and regrouped, wherever necessary to enable comparability of the current year's position of accounts with that of the relative previous year's position.

**10 Approval of Financial Statements****(36) Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on May 27, 2019.

**For A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN No: 009805S

**For and on behalf of the Board of Directors****A.SENTHIL KUMAR**

Partner

M.No: 214611

**S. PRASAD REDDY**

Managing Director

(DIN :07506651)

**S. SHARAT REDDY**

Director

(DIN :03137732)

**Place: Nellore****Date: 27th May 2019****P. Vivekananda Gupta**

Chief Financial Officer

**C. Rubavathy**

Company Secretary

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

Regd. Office: VENKANNAPELEM 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 Sharat Industries 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 29th Annual General Meeting of the company held on Tuesday, 24th day of September, 2019 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) of -----shares of the above named company, hereby appoint

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

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 29th Annual General meeting of the Company, to be held on Tuesday, 24th day of September, 2019 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.		

Signed this .....day of .....2019

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.**

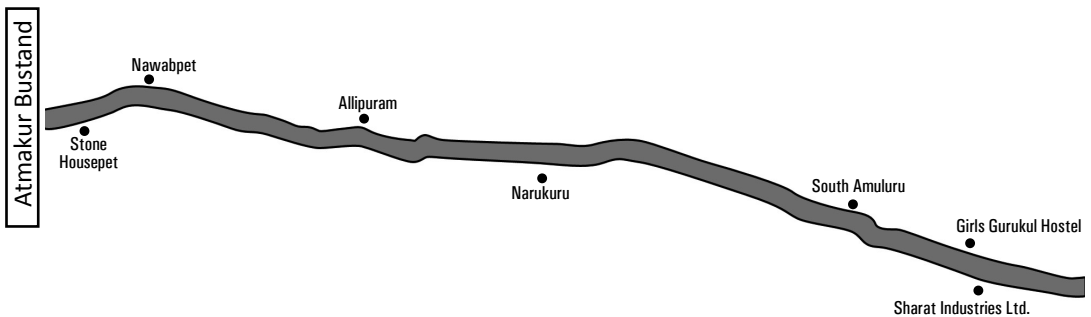
**SHAREHOLDER'S INFORMATION**

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

To :

IF UNDELIVERED, PLEASE RETURN TO :  
TPC MAA GMN BANK SECTION.



**SHARAT INDUSTRIES LIMITED**

D. No. 16-2-405, Srinivasa Agraharam,  
Opp. Manas Apartments, Mini bypass Road,  
Nellore - 524 002.