



SHARAT INDUSTRIES LIMITED

29TH ANNUAL REPORT

2018-2019

BOARD OF DIRECTORS

1. Mr. S. Prasad Reddy
Managing Director
2. Mr. Veerajju 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: 12th 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 89)
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, theft 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 89)
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 89) 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 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 17th, 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 Ninth 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 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.
 - (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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(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	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. 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. Come under help section or write an email to 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)		
		2018-19	2017-18	
		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: 12th 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: VENKANNAPALEM
DATE: 12th August 2019

S. PRASAD REDDY
MANAGING DIRECTOR

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

Particulars	Year ending 31.03.2019 (Rs.in lakhs)	Year ending 31.03.2018 (Rs.in lakhs)
Revenue from operation	19442.74	14773.82
Other Income	123.17	101.20
Profit before Depreciation and Interest	1242.55	862.33
Less: Interest – finance cost	561.57	440.27
Depreciation	326.38	267.97
Profit Before Exceptional items and Tax	354.59	154.09
Exceptional items	-	-
Provision for Tax	64.53	46.75
Profit after Tax	290.06	107.34
Other comprehensive income net of tax.	(0.52)	6.39
Total comprehensive income for the year	289.54	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. FUTURE OUTLOOK:

The shrimp export division of the Company envisages sustained demand in overseas markets. The Company is focusing on improved profitability through optimal utilization of resources to cater to the potential market demands.

4. SHARE CAPITAL:

As on 31st March 2019, 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: The Board of Directors in order to retain profits is not recommending dividend, Yet the Company is very positive about the future outlook with increasing sales and profits

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. The suspension of share trading was revoked w.e.f. 5th July 2019. Applicable listing fees have been paid up to date.

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

Towards ensuring adherence to and adequacy of all Internal Control Systems, the Company has in place adequate controls for the size and operations.

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

The Company has an internal audit system commensurate to the size and volume of the business. The internal audit control is adequate and were operating effectively.

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

M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No: 009805S), were 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.

16. 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.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There is no Change among the Directors during the year under review. Mr. S Sharat Reddy, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. During the year, Mr. Kshetramohan Hota resigned, Mrs. Rubavathy was appointed as Company secretary and Compliance Officer and Mr. V.C. Rama Krishna Kumar resigned, Mr. Vivekananda Gupta appointed as Chief Financial Officer.

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 5 (Five) Board Meetings and 4 (Four) Audit Committee Meetings, 28 (Eight) Share holders' grievances and Share transfer committee meetings, 2(Two) Nomination & Remuneration committee meeting and 1(One) Independent Director's 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.sharatindustries.com.

23. RISK MANAGEMENT:

The risk management is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

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	Power factor installed us 700 KVARA @ 12 lakhs
(ii)	the steps taken by the company for utilizing alternate sources of energy	VFDS installed equipment's at our plant is 250 KW
(iii)	the capital investment on energy conservation equipment's	The above said 250 KW VFDS investment is maximum 15 lakhs

(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 Earnings were Rs.1,07,49,20,883 and Outgo was Rs.2,70,75,517

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 proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return	Rate of Interest	Security
				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 any)	Commission	Rate of Interest	Security
				NIL					

31. 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

32. 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 and delay in publication of un Audited results for the quarter and half year ended 30th September 2018 were due to over sight and Technical reasons.

33. INTERNAL AUDIT

In terms of sec 138 of the companies' act 2013 and the relevant rules the company appointed M/s.SSRG & Associates,(FRN:016752S), Chartered Accountants as the internal auditors of the company. The internal auditor directly reports to the audit committee.

34. 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

35. 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

36. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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.

37. 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 and that 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.

38. 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.

39. ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by MPEDA, FEDERAL BANK LIMITED and other Government Agencies. Our thanks are also due to employees at all levels, suppliers, dealers and customers for their strong support.

Your Directors also thank the shareholders for their continued confidence and trust placed by them with the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem

DATE : 12th August 2019

S.SHARAT REDDY

DIRECTOR

DIN: 02929724

S.PRASAD REDDY

MANAGING DIRECTOR

DIN:00069094

ANNEXURE-I**Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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, 2019 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The 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 4. 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 (Buyback of Securities) Regulations, 1998
 8. 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 Take over) 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 Goods and Services Tax Act, 2017 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.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

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 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 at least seven days in advance, 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 is carried through and are captured and recorded as part of the minutes . there were no dissenting views .

I Further Report

1. *There were delays in filing MCA Forms*
2. *There was a delay in publishing unaudited financial result under regulation 47(3) of LODR*
3. BSE has revoked the suspension of Trading vide their letter dated 27th June 2019..
4. NSDL vide their letter dated 15th November 2018 given approval to act as Depository.
5. The company has appointed M/s. Cameo Corporate Services Limited as STA.

6. 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;
- vi) Sexual Harassment of Women at work place (prevention, Prohibition and Redressal) Act, 2013

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 has occurred which have a major bearing on the company's affairs.

Date: 12/08/2019

Place: Chennai

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

The Members,

SHARAT INDUSTRIES LIMITED

Venkannapalem Village - 524002

My 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. I 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My 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.

Date:12/08/2019

Place: Chennai

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 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

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) If yes, details of stock exchanges where shares are listed	Yes , Bombay Stock Exchange (BSE)
v)	AGM details	29/09/2018 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/ Ph: 044-24357868 / 044-24347867
Fax Number :	—
Email Address	Sharatpremium@gmail.com/cs@sharatindustries.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):-	CAMEO CORPORATE SERVICES LIMITED
Address	SUBRAMANIAN BUILDING,NO.1 CLUB HOUSE ROAD
Town / City	CHENNAI
State	TAMIL NADU
Pin Code	600002
Telephone (With STD Area Code Number)	91-44-28460390
Fax Number	
Email Address	investor@cameoindia.com

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/HSN code of the Product/ service	% to total turnover of the company
1	Frozen Shrimp Exports	03061319	59.18%
2	Frozen Shrimp Domestic	23099031	17.14%
3	Shrimp Feed Domestic	10809	19.42%

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 Share-holders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	11849600	11849600	53.83	8825200	3024400	11849600	53.83	NIL
b) Central Govt 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	11849700	11849700	53.83	8825200	3024500	11849700	53.83	NIL
(A)(1):-									
(2) Foreign									
a) Individu-als(Non-Resident Individuals/Foreign Individuals)		448000	448000	2.04	0	448000	448000	2.04	NIL
b)Bodies Corporate	0	0	0	0	0	0	0	0	NIL
c) Institutions	0	0	0	0	0	0	0	0	NIL
d) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total (A)(2):-									
Total shareholding of Promoter (A)	0	12297700	12297700	55.87	8825200	3472500	12297700	55.87	NIL
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	16300	16300	0.07	0	16300	16300	0.07	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) FII's	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 (B)(1):-	0	86300	86300	0.39	0	86300	86300	0.39	0
2. Non-Institutions									0
a) Bodies Corp.	0	707200	707200	3.21	400	354900	355300	1.61	0
i) Indian	0	0	0	0					0
ii) Overseas	0	0	0	0					0
b) Individuals	0	0	0	0					0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	7707000	77077000	35.02	96800	6979600	7076400	32.15	-0.5
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	862300	862300	3.92	92800	285100	377900	1.72	-0.86
c) Others (specify)	0	0	0	0	400	1466500	1466900	6.66	0
Non Resident Indians	0	352000	352000	1.59		352000	352000	1.6	0
Overseas Corporate Bodies	0	0	0	0					0
Trusts	0	0	0	0					0
Foreign Bodies - DR	0	0	0	0					0
Sub-total (B)(2):-	0	9628500	9628500	43.74	190400	9438100	9628500	43.74	-1.36
Total Public Shareholding (B)=(B)(1)+(B)(2)		9714800	9714800	44.13	190400	9524400	9714800	44.13	-1.36
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0					0
Grand Total (A+B+C)	0	22012500	22012500	100	9015600	12996900	22012500	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
2)	S. Devaki	1,39,100	0.63	0	1,39,100	0.63	0	
3)	S.Charita Reddy	8,000	0.04	0	8,000	0.04	0	NIL
4)	S. Sharat Reddy	24,63,800	11.19	0	24,63,800	11.19	0	
5)	Other share holders	8,72,000	3.97	0	8,72,000	3.97	0	NIL
	TOTAL	12297700	55.87	0	12297700	55.87	0	

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

S.NO	PARTICULARS	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
1	At the beginning of the year	12297700	55.87		
2	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):	0	0	0	0
3	At the end of the year			12297700	55.87

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 01.04.17		Date	INC/DEC	Reason	Cumulative shareholding during the year (01.4.18 to 31.3.19)	
		No of shares	%				No of shares	%
1.	Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
	Madhusuduan V Pulijal	1,17,300	0.53				1,17,300	0.53
	Venkataratnam Kottapalli	1,10,700	0.50				1,10,700	0.50
4.	Ajayya Gulati	1,02,100	0.46				1,02,100	0.46
5.	G. Prashanth Reddy	75,000	0.34				75,000	0.34
6.	G. Neel Reddy	75,000	0.34				75,000	0.34
7.	Ashok N Patel	74,700	0.34				74,700	0.34
8.	Suashish Finance Ltd	66,200	0.30				66,200	0.30
9.	Stock holding corporation of india ltd	50700	0.25				50700	0.25
10.	Esquire Tea Plantation & Industries Ltd	49200	0.24				49200	0.24

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

Sl.No	Name	Designation	Share holding at the beginning of the year 01.04.18	Increase	Reason	Cumulative shareholding during the year (01.4.18 to 31.3.19)
1	S. Prasad Reddy	Managing Director	8814800 40.04%	-	-	8814800 40.04%
2	S. Sharat Reddy	Executive Director	2463800 11.19%	-	-	2463800 11.19%

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

Name	31st March 2018	31st March 2019
	Equity Shares	Equity Shares
S. Prasad Reddy	88,14,800 Shares 40.04%	88,14,800 Shares 40.04%
S. Sharat Reddy	24,63,600 Shares 11.19%	24,63,800 Shares 11.19%

V) INDEBTEDNESS -

	Secured Loans excluding deposits (in Rs.)	Unsecured Loans (in Rs.)	Deposits (in Rs.)	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	37,45,90,842	5,22,97,910	-	42,68,88,752
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	37,45,90,842	5,22,97,910	-	42,68,88,752
Change in Indebtedness during the financial year (increase/ (Decrease)	17,61,52,563	(1,00,00,000)	-	16,61,52,563
Indebtedness at the end of the financial year				
i) Principal Amount	55,07,43,405	4,22,97,910	-	59,30,41,315
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	55,07,43,405	4,22,97,910	-	59,30,41,315

VI. REMUNERATION OF DIRECTORS (in Rs.)

SN.	Particulars of Remuneration	S. Prasad Reddy Managing Director	S. Sharat Reddy Executive Director
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	54,00,000
	(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	54,00,000
	Ceiling as per the Act	84,00,000	84,00,000

B. REMUNERATION TO INDEPENDENT DIRECTORS (in Rs.)

Sl.No.	Name of Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
1	Veerraju Manda	59000	-	-	
2	M.B.R. Prasad	50000	-	-	
3	Durga Thota	77000	-	-	
	Total				

REMUNERATION OF KEY MANAGERIAL PERSONNEL (in Rs.)

SN.	Particulars of Remuneration	Vivekanada Gupta Chief Financial Officer	C.Rubavathy Company Secretary and Compliance Officer	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,81,336	1,42,742	
	(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	2,81,336	1,42,742	

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: Venkannapalem
DATE : 12th August 2019

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	27/05/2019	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	27/05/2019	Nil

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
 DATE : 12th August 2019

S.SHARAT REDDY
 DIRECTOR
 DIN: 02929724

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;	Name of the Directors	Ratio to median remuneration
		S PRASAD REDDY	46:1
		S SHARAT REDDY	34:6
(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 an increase in the managerial remuneration for the Financial Year 2018-2019 for Mr. S. Sharat Reddy from Rs.3.50 Lakhs per month to Rs.4.50 Lakhs per month which is amounting to 12.50%	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2018-19	11.00%	
(iv)	Number of permanent employees on the rolls of the company:	265 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;	The increase made in average salaries of employees other than the managerial personnel in the current financial year was 11.00%. There has been increase in the managerial remuneration for the Financial Year 2018-19 for Mr. Sharat Reddy from Rs. 4.00 Lakhs per month to Rs.4.50 Lakhs per month.	
(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 export market is forecasted to reach a volume of 1.13 Million Tons by 2024, exhibiting a CAGR (Compound Annual Growth rate) of around 9% during 2019-2024. India with Huge marine potential has resulted in significant growth in the export earnings from export of processed shrimps. India is major source of supply of processed shrimps in international market.

Indian aquaculture output is estimated to touch a record 7 lakh tonne during the current fiscal and reach 1 MT by 2020. according to state-run Marine Products Exports Development Authority's data. Seafood exports for the last fiscal touched \$7.08 billion with 13,77,244 tonne exported, against 11,34,948 tonne and \$5.77 billion in the year-ago period.

Shrimp feed is produced in order to meet the nutritional requirements of farmed shrimps. It helps in maintaining the required levels of essential amino acids, vitamins, minerals, fatty acids and other important nutrients

One of the primary factors catalyzing the growth of the Indian shrimp feed market is the massive marine wealth in India that sustains the development of the aquaculture industry. In addition, the market is also influenced by the commercialization of vannamei shrimp, supported by a sustained demand from both the developed and developing countries.

The India Aquaculture Feed Market is expected to register a CAGR of 10.4% during the forecast period (2018-2023). Indian feed mills have the capacity to produce 2.88 million metric ton. Andhra Pradesh is the largest feed consuming state in India. The coastal line of the country is about 7,517 kilometers with 195.20 kilometers of river and canal systems. By these sources, Domestic market provides huge opportunity and potential for aquaculture feed industry.

STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS

Strength

The Company is having one of the largest shrimp farms in India. farming is generally considered a lucrative sector where the scope for profit is high in operations. The large infrastructure and integrated nature of operations contributes to high quantities of production. The Company has attained BAP (Best Aquaculture, Practices) 4 star rating, which is highly regarded in many foreign markets such as the USA. Through its quality produce and exports, SIL has firmly established itself as a premium quality exporter in several top markets in the world such as the USA , Japan, Europe and China , the significant investment in the farm division has enabled SIL to produce upto 3 crop cycles per year. As a result of large infrastructure and asset base and constant investment every year in increasing the same, SIL boasts a tremendous potential for growth, with the right financial partners.

Weakness

The seasonality of the industry in general (dependence on weather patterns) can have an effect on the supply chain under adverse environmental conditions. Increased compliance, more stringent labour laws and migration of labour towards urban settlements contribute to increase in labour and manpower related issues every year across the industry. Shrimp farming is constantly exposed to new viruses/ diseases that contribute to losses and retardation of the industry. These losses can be curtailed by adopting good farming practices and investing in improvement of biosecurity. As a result of large infrastructure and potential, the company will require strong financial support to fulfill its potential

Opportunities

At present, global demand continues to rise each year. Despite new diseases arising every year in shrimp farming, quicker methods of technology, information transfer are reducing the risk of diseases and therefore contributing towards reducing risk levels. These solutions are available either in the form of more nutritious feed to the shrimp or better farming techniques and infrastructure at the farm level. Every year, the farm area for shrimp farming is increasing substantially. Since India has a significant coastline when compared to other shrimp-producing nations, the potential for growth is vast. This opens up the shrimp feed market significantly. New areas brought into shrimp farming are less susceptible to viruses and therefore offer more potential for feed sales as well as shrimp growth for processing and export purposes.

Threats

Despite there being a global demand, Indian seafood exporters face stiff competition from their counterparts in countries like China, Indonesia, Thailand, Vietnam, etc. Due to the lucrative nature of the seafood industry in general and shrimp industry in particular, several companies have been setup in the last few years for shrimp feed manufacturing as well as shrimp exports. This has resulted in competition within the country and has subsequently affected profit margins. Foreign exchange fluctuation, Stock value volatility, Increased quality norms from importers and stringent are some of the other threats for the shrimp industry

PERFORMANCE ANALYSIS

HIGHLIGHTS AS COMPARED TO PREVIOUS YEAR

PRODUCT-WISE PERFORMANCE :

Amount in Rs.

S.NO	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Shrimp Export	1,07,49,20,883	1,00,24,88,955
2	Shrimp Local	31,18,94,165	11,30,04,743
3	Sale of Feed	42,88,62,641	26,61,03,474
4	Sale of Seed	-	-
5	Sale of Chemicals	5,50,937	9,00,250
6	Sale of Shrimp Interstate	549,190	-
	Total	181,62,28,626	1,38,24,97,422

EXPORTS:

The Exports has increased by 7.23% during the year compared to previous year.

CAPITAL EXPENDITURE AND EXPANSION PLANS:

Additions to the Fixed Assets amounting to Rs.9,71,18,371/- .

OUTLOOK

The company is focussing on enhancing performance by improving the cash flows, controlling finance cost, high price realisation for the product in its export markets. The company is also focussing on diversifying its network for feed market demand.

INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that quality of financial data, and its relevance.

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:

Good corporate governance is an essential condition for sustainable business that aims at generating long term value to its stakeholder. The Company believes that strong governance standards, focusing on fairness transparency, accountability and responsibility are vital, not only healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. The Company's philosophy on corporate governance oversees business strategies and ensured fiscal accountability, ethical corporate behavior.

ii. BOARD OF DIRECTORS

a. COMPOSITION OF BOARD:

The Company has constituted the Board in consonance with the requirement of Regulation 17 of the SEBI (Listing obligation and disclosure requirements) Regulation 2015. The strength of the Board of Directors is 5 (5) with two executive director (one managing director and one executive director) and 3 Non executive directors Non-Executive. The 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.

S.No.	DIRECTORS NAME	DESIGNATION
1	Mr. Prasad Reddy Sabbella	Managing Director
2	Mr. Veerraju Manda	Independent Director
3	Mr. Malisetty Babu Rajendra Prasad	Independent Director
4	Mr. Sabbella Sharat Reddy	Whole time director/Executive Director
5	Mrs. Durga Thota	Women Independent Director

b. BOARD MEETINGS AND RELATED INFORMATION:

Five (5) meetings of the Board of Directors were held during the year viz., on 30th May 2018, 14th August 2018, 10th October 2018, 14th November 2018 and 13th February 2019.

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 29.09.2018) 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	5	Yes	Nil	NIL
Mr. S. Sharat Reddy	5	No	Nil	NIL
Non-Executive Independent Directors				
Mr. Veerraju Manda	4	No	NIL	NIL
Mr. M.B.R. Prasad	3	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 SEBI (LODR) Regulation 2015 . The composition of the committee comprises the following Directors as members:

- a. Mrs. Durga Thota – Chairperson
- b. Mr. Veerraju Manda
- c. Mr. M.B.R Prasad

The terms of reference of the Committee broadly comprise:

- (a) 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:
 - a. To select and establish accounting policies and changes if any in accounting policies and procedures
 - b. To Answer Qualifications if any given in the draG auditors’ report.
 - c. On the major entries made in the accounts based on the exercise of judgment made by the management.
 - d. The Going Concern concept assumption.
 - e. Compliance with the accounting standards as prescribed by ICAI
 - f. Compliance with requirements of stock exchanges and legal requirements concerning the financial statements
 - g. To review management discussion and analysis of financial condition and results of operation.
 - h. To review statement of significant related party disclosures submitted by the management.
 - i. To evaluate internal financial controls and risk management systems.
- (b) Recommending the appointments and removal of external auditor, fixation of audit fee and also approval for payment for other services.
- (c) 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 2018-19, Four (4) meetings of the Audit Committee were held viz., on 30th May 2018, 14th August 2018, 14th November 2018 and 13th February 2019 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
Mrs. Durga Thota	4	4
Mr. Veerraju Manda	4	3
Mr. M.B.R. Prasad	4	3

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/Whole time Directors, their existing remuneration, their contribution to the company etc.,. The composition of the committee comprises the following Directors as members:

- (a) Mr. M.B.R Prasad – Chairman
- (b) Mr. Veerraju Manda
- (c) Mrs. Durga Thota

During the financial year 2018-19, Two (2) Nomination and Remuneration committee meetings were held on 10.10.2018 and 13.02.2019 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	2	1
Mr. Veerraju Manda	2	1
Mrs. Durga Thota	2	2

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: (in Rs.)

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	72,00,000/-			72,00,000/-
Mr. S. Sharat Reddy	54,00,000/-			54,00,000/-

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 Whole time 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 of Rs. 5000/- for Board, Audit Committee and Nomination and Remuneration Committee and Rs. 1000/- for Shareholder's Relationship Committee.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

- (a) Mr. Veerraju Manda - Chairman
- (b) Mr. M.B.R Prasad
- (c) Mrs. Durga Thota

During the financial year ended on 31st March, 2019 the Shareholder's Relationship Committee met Twenty Eight (28) times on 6.4.18, 21.5.18, 20.6.18, 31.7.18, 16.8.18, 28.8.18, 7.9.18, 17.9.18, 29.9.18, 5.10.18, 12.10.18, 26.10.18, 2.11.18, 9.11.18, 16.11.18, 30.11.18, 7.12.18, 14.12.18, 21.12.18, 11.1.19, 25.1.19, 1.2.19, 15.2.19, 22.2.19, 8.3.19, 15.3.19, 22.3.19, 30.3.19

The attendance of the members of the Stakeholder's Relationship Committee at these meetings is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerraju Manda	28	19
Mr. M.B.R Prasad	28	15
Mrs. Durga Thota	28	22

Shareholders' Relationship Committee looks after both the shareholders relations and Share Transfers. During the year the company has received 325 requisitions for transfer / transmission of shares and 30 requisitions for Change of Address etc. and the company has effected 237 requisitions for transfer/ transmission of shares and 28 requisitions for change of address. 88 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

4. INDEPENDENT DIRECTOR'S MEETING:

Independent Directors Meeting was held on 14.08.2017 and attended by all the Independent Directors.

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
2016	30.09.2016	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2017	28.09.2017	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2018	29.09.2018	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

Special Resolutions passed in the previous 3 Annual General Meetings:

1. 2015-16 : NO

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

3. 2016-17 : YES

Pursuant to Section 196, 197 read with Schedule V, re-appointment of Mr. S. Sharat Reddy as a Whole time director for a period of three years w.e.f :01.04.2017

3. 2017-18 : YES

Pursuant to Section 196, 197 read with Schedule V, re-appointment of Mr. S. Prasad Reddy as a Whole time director for a period of three years w.e.f 01.04.2018

Whether any Special Resolution passed last year through postal ballot- details of voting pattern: No

Whether any Special Resolution passed last year through postal ballot- details of voting pattern: No

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 2019.
- 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 all the applicable mandatory disclosure requirements of Corporate Governance norms as given under Schedule II to the SEBI (LODR) Regulations 2015.

Means of communication

- a. The company has been sending annual reports, notices and other communications to each shareholder and all information in connection with Compliances under SEBI (LODR) Regulations 2015 is being uploaded in the company's web site: www.sharatindustries.com

- b. The quarterly reports in the prescribed format were published in the News Papers, Financial Express- English and Vishalandhra - Telugu as required by the SEBI (Listing obligation and regulation), 2015.
- c. There were no presentations made to institutional investors or analysts, during the year.

GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting	
	Date & Time	Tuesday, 24th September 2019, 10.00. am.
	Venue	Venkannapalem, T.P. Gudur Mandal, Nellore District, Andhra Pradesh,
b.	Financial Year Calendar (2018-19) tentative	1st April to 31st March of every year
	Financial reporting for the quarter ending 30.06.2019	14th August 2019
	Financial reporting for the quarter and half year ending 30.09.2019	14th November 2019
	Financial reporting for the quarter and nine months ending 31.12.2019	14th February 2020
	Financial reporting for the quarter and year ending 31.03.2020	30th May 2020
c.	Date of Book Closure	18.09.2019 to 24.09.2019 (both days inclusive)
d.	Listing of Stock Exchanges	Bombay Stock Exchange Ltd. The annual listing fees for the period has been paid up to date
e.	Registrar and Share Transfer Agents	M/s. Cameo Corporate Services Ltd 'Subramanian Building', No.1, Club House Road, Chennai – 600 002

f.	Share Transfer System	Shares held in the dematerialized form are electronically traded in the depository. Pursuant to 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. 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. The registrar and share transfer agents of the company periodically receive from the depository the beneficiary holdings to enable them to update their records and communication details. Physical shares received for dematerialization are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders. Physical shares received for dematerialization are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders.
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g. Shareholding Pattern as on March 31, 2019

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Promoter and Promoter Group:			
a. Bodies Corporate	1	100	-
b. Directors & their relatives	383	12297600	55.87
Public Share Holding:			
I. Institutions:			
Financial Institutions/ Banks	6	86300	0.39
II. Non Institutions:			
Bodies Corporate	105	355300	1.80
Individuals	36234	9273200	41.94
Total	36729	22012500	100.00

All the shares are held in Physical form only

h. Distribution of Shareholding as on March 31, 2019

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
1-100	26591	72.40	2659100	12.08
101-500	7246	19.73	2047400	9.30
501-1000	1646	4.48	1350300	6.13
1001-2000	670	1.82	999800	4.54
2001-3000	293	0.80	732200	3.33
3001-4000	91	0.25	332500	1.51
4001-5000	66	0.18	312200	1.42
5001-10000	74	0.20	527700	2.40
10001-above	52	0.14	13051300	59.29
Total	36729	100.00	22012500	100.00

i. Dematerialization of shares and liquidity:

The company has established connectivity with both the depositories NSDL (National Securities Services Ltd) and CDSL (Central depository services limited). Therefore The Company's Equity Shares can be dematerialized . The Company's Registrar & Share Transfer Agents (M/s. Cameo Corporate Services Limited) of the Company and for related matters have been continuing.

j. International Securities Identification Number (ISIN):INE220Z01013

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 Plant	:	Mahalakshampuram, T.P.Gudur Mandal, Nellore District, A.P

- l. Products : (Aqua Culture) Prawn Culture, processing and Shrimp Feed
- m. Address for correspondence : Shareholders correspondence should be addressed to the Company Secretary of the Company at the registered office of the company Ph: 044-24357868 / 044-24347867 email id: cs@shara@industries.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

Declaration – Code of Conduct

All Board members and senior management personnel have, for the financial year ended on 31st March, 2019, 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 : 12th August 2019

S.SHARAT REDDY
DIRECTOR
DIN: 02929724

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, 2019 as stipulated in Chapter IV. Schedule V (Annual Report) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (listing Regulations).

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.

Date: 12/08/2019

Place: Chennai

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

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, 2019 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

S. PRASAD REDDY

DATE: 12.08.2019

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

S. PRASAD REDDY

DATE: 12.08.2019

MANAGING DIRECTOR

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

A.SENTHIL KUMAR
Partner
M. No. : 214611

Place: Nellore
Date: 27th May 2019

**“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 (Rs. 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

A. SENTHIL KUMAR

Partner

M. No. : 214611

Place : Nellore

Date : 27th May 2019

“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

A. SENTHIL KUMAR

Partner

M. No. : 214611

53

Place : Nellore

Date : 27th May 2019

BALANCE SHEET AS AT MARCH 31, 2019

(in Rs.)

	Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
I	ASSETS			
	(1) Non-Current Assets			
	(a) Property, Plant & Equipment	3	432,830,033	371,190,239
	(b) Capital Work in Progress	3	2,699,426	6,666,513
	(c) Intangible Assets	3.1	478,749	576,647
	(d) Intangible Assets under Development		-	-
	(e) Financial Assets		-	-
	(f) Deferred Tax Asset		-	-
	(g) Other Non-Current Assets	4	13,953,081	13,567,982
	Total Non-Current Assets		449,961,289	392,001,381
	(2) Current Assets			
	(a) Inventories	5	407,909,891	350,860,556
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	6	417,140,220	231,174,647
	(iii) Cash and Cash Equivalents	7	15,365,998	10,134,246
	(iv) Bank Balances Other than (iii) above	8	47,118,677	38,746,325
	(v) Others		-	-
	(c) Other Current Assets	9	83,161,814	77,250,997
	Total Current Assets		970,696,600	708,166,772
	TOTAL ASSETS		1,420,657,889	1,100,168,153
II	EQUITY & LIABILITIES			
	(1) Equity			
	(a) Equity Share Capital	10	220,125,000	220,125,000
	(b) Other Equity	11	310,051,139	281,525,624
	Total Equity		530,176,139	501,650,624
	(2) Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	146,440,362	92,928,279

	(ii) Other Financial liabilities[other than those specified in (b) below]		-	-
	(b) Provisions	13	1,966,972	1,432,804
	(c) Deferred Tax Liabilities (Net)	14	391,696	1,425,128
	Total Non-Current Liabilities		148,799,030	95,786,211
	(3) Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	446,636,610	339,018,474
	(ii) Trade Payables	16	221,794,928	136,835,289
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	21,710,026	481,890
	(b) Other Current Liabilities	18	1,842,357	4,554,033
	(c) Provisions	19	49,698,799	21,841,633
	Total Current Liabilities		741,682,720	502,731,318
	TOTAL EQUITY & LIABILITIES		1,420,657,889	1,100,168,153
	Significant Accounting Policies & Notes forming part of the financial statements	1&2		

The accompanying notes are integral part of the financial statements.
As per our report of even date

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

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

(in Rs.)

	Particulars	Note No.	For the period ended March 31, 2019	For the period ended March 31, 2018
I	Revenue from Operations	20	1,944,274,098	1,477,382,378
II	Other Income	21	12,317,120	10,119,648
III	Total Income (I+II)		1,956,591,218	1,487,502,026
IV	Expenses			
	(a) Cost of Materials Consumed	22	1,537,043,489	1,176,343,785
	(b) Purchase of Stock in trade		-	-
	(c) Changes in Inventory	23	(95,907,858)	(64,441,798)
	(d) Employee Benefits Expense	24	87,654,069	74,501,506
	(e) Finance Costs	25	56,157,845	44,026,938
	(f) Depreciation and Amortisation Expense	3-3.1	32,638,288	26,797,329
	(g) Other Expenses	26	303,545,741	214,864,906
	Total Expences (IV)		1,921,131,574	1,472,092,665
V	Profit Before Exceptional items and Tax (III-IV)		35,459,644	15,409,360
VI	Exceptional Items		-	-
VII	Profit Before Tax (V-VI)		35,459,644	15,409,360
VIII	Tax Expense			
	(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	Profit /(Loss) for the year (VII-VIII)		29,006,108	10,733,807
X	Other Comprehensive Income			
	Items that will not be reclassified to profit/(loss)		(52,278)	639,403
XI	Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [IX+X])		28,953,830	11,373,210

XII	Earnings per Equity Share [Nominal Value of Rs.10/- per share]	27		
	(1) Basic		1.32	0.52
	(2) Diluted		1.32	0.52
	Face Value of the Share		10.00	10.00
	Significant Accounting Policies & Notes forming part of the financial statements			

The accompanying notes are integral part of the financial statements.
As per our report of even date

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

For and on behalf of the Board of Directors

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

S.Prasad Reddy
Managing Director
DIN : 00069094

P.Vivekananda Gupta
Chief Financial Officer

S.Sharat Reddy
Executive Director
DIN : 02929724

C. Rubavathy
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(in Rs.)

S. No	Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Extraordinary Items and Tax	35,459,644	15,409,360
	Adjustments for:		
	Depreciation and impairment of Property, plant and equipment	32,638,288	26,797,329
	Amortisation and impairment of intangible assets		
	Loss on sale of Investments		
	Finance Costs	56,157,845	44,026,938
	Gratuity	451,864	656,416
	Wealth Tax	-	-
	(Profit)/Loss on Sale of Vehicle	(169,417)	-
	Interest Income	(3,581,243)	(3,150,586)
	Creditors no Longer Payable	-	-
	Capital Subsidy	(428,315)	-
	Provision for Bad and Doubtful Debts	-	312,652
	Operating Profit/(Loss) Before Working Capital Changes	120,528,666	84,052,109
	Changes in Working Capital:		
	Adjustment for (Increase) / Decrease in Operating Assets		
	Inventories	(57,049,335)	(353,285)
	Trade Receivables	(185,965,573)	(102,841,887)
	Short term Loans and Advances	(5,910,817)	(24,799,253)
	Bank Balances Other than cash & Cash Equivalentents	(8,372,352)	(31,126,858)
	Others	-	-
	Adjustment for Increase / (Decrease) in Operating Liabilities		
	Trade Payables	84,959,639	44,998,233
	Other Current Liabilities	(2,711,677)	1,129,682
	Long Term Provisions	30,026	(62,659)
	Short Term Provisions	23,564,876	7,664,843
	Cash generated from operations	(30,926,546)	(21,339,076)
	Cash outflow due to Exceptional Items	-	-
	Cash generated from operations	(30,926,546)	(21,339,076)
	Net Income Tax (Paid)/Refund	(3,194,677)	(5,388,005)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A	(34,121,223)	(26,727,081)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital Expenditure on Fixed Assets	(97,150,767)	(39,591,072)

The accompanying notes are integral part of the financial statements.

	Decrease / (Increase) in Capital Work in Progress	3,967,087	(5,446,313)
	Proceeds from Sale of Fixed Assets	3,140,000	-
	Long Term Loans and Advances	(385,099)	1,551,336
	Interest Received	3,581,243	3,150,586
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B	(86,847,535)	(40,335,463)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) from / of Long Term Borrowings	53,512,083	18,854,915
	Current Maturities of Long term Debt	21,228,136	(56,341)
	Other Short term Borrowings	107,618,136	58,621,562
	Finance Costs	(56,157,845)	(44,026,938)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES - C	126,200,510	33,393,199
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	5,231,752	(33,669,346)
	Cash and Cash Equivalents at the beginning of the year	10,134,246	43,803,592
	Cash and Cash Equivalents at the end of the year	15,365,998	10,134,246
	Reconciliation of Cash and Cash Equivalents with the Balance sheet		
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.7)		
	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

As per our report of even date

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

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

Note - 3 Fixed Assets

(in Rs.)

Particulars	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Lab Equipments	Computers	Electrical Fixtures	Pond Constuction	Jefty	Tools & Equipments	Total PPE	Capital WIP
Cost or Deemed Cost														
At April 1, 2016	37,509,372	87,868,273	156,021,214	2,932,326	22,179,662	1,646,636	-	477,212	5,798,223	40,664,764	5,348,201	-	360,445,882	-
Additions	13,962,300	326,600	7,374,396	491,943	2,757,756	327,133	71,965	69,800	105,490	-	-	-	25,487,383	1220200
Disposals	-	-	-	-	(1,215,444)	-	-	-	-	-	-	-	(1,215,444)	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	51,471,672	88,194,873	163,395,610	3,424,269	23,721,974	1,973,769	71,965	547,012	5,903,713	40,664,764	5,348,201	-	384,717,821	1,220,200
Additions		6,491,574	19,000,282	276,649	6,805,784	605,295	1,656,770	182,151	810,998	-	-	3,505,569	39,335,072	5,446,113
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	51,471,672	94,686,447	182,395,892	3,700,918	30,527,758	2,579,064	1,728,735	729,163	6,714,711	40,664,764	5,348,201	3,505,569	424,052,893	6,666,313
Additions	235,500	36,052,092	34,564,641	73,014	16,124,329	174,961	-	296,426	1,611,513	-	-	7,985,895	97,118,371	50,528,385
Disposals	-	-	-	-	(6,006,778)	-	-	-	-	-	-	-	(6,006,778)	(54,495,272)
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	51,707,172	130,738,539	216,960,533	3,773,932	40,645,309	2,754,025	1,728,735	1,025,589	8,326,224	40,664,764	5,348,201	11,491,464	515,164,486	2,699,426
Depreciation and Impairment														

At April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	5,048,972	12,005,610	352,902	5,011,042	431,573	3,614	275,988	1,137,385	2,158,613	358,685	-	26,784,384	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(665,558)	-	-	-	-	-	-	-	(665,558)	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	5,048,972	12,005,610	352,902	4,345,484	431,573	3,614	275,988	1,137,385	2,158,613	358,685	-	26,118,826	-
Depreciation charge for the year	-	5,129,871	12,000,403	389,598	4,221,189	540,948	34,990	182,414	1,167,894	2,158,613	358,685	559,224	26,743,829	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	10,178,843	24,006,013	742,500	8,566,673	972,521	38,604	458,402	2,305,279	4,317,226	717,370	559,224	52,862,655	-
Depreciation charge for the year	-	5,753,861	13,293,434	637,591	5,752,550	673,634	164,144	81,905	2,231,785	2,158,613	358,685	1,401,790	32,507,992	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-3,036,194	-	-	-	-	-	-	-	(3,036,194)	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2019		15,932,704	37,299,447	1,380,091	11,283,029	1,646,155	202,748	540,307	4,537,064	6,475,839	1,076,055	1,961,014	82,334,453	
Carrying Amount														
As at March 31, 2019	51,707,172	114,805,835	179,661,086	2,393,842	29,362,280	1,107,870	1,525,987	485,282	3,789,160	34,188,925	4,272,145	9,530,450	432,830,033	2,699,426
As at March 31, 2018	51,471,672	84,507,604	158,389,879	2,958,419	21,961,085	1,606,543	1,690,131	270,761	4,409,432	36,347,538	4,630,830	2,946,346	371,190,239	6,666,313
As at March 31, 2017	51,471,672	83,145,901	151,390,000	3,071,368	19,376,490	1,542,196	68,351	271,024	4,766,328	38,506,151	4,989,515	-	358,598,995	1,220,200
As at April 1, 2016	37,509,372	87,868,273	156,021,214	2,932,326	22,179,662	1,646,636	-	477,212	5,798,223	40,664,764	5,348,201	-	360,445,882	-

SHARAT INDUSTRIES LIMITED : NELLORE**Notes forming part of the Financial Statements****Note 3.1 Intangible Assets**

(in Rs.)

Particulars	Computer Software	CIBAMOX Technology	Total
Cost or Deemed Cost			
At April 1, 2016	420538	-	420538
Additions	-	-	-
Disposals	-	-	-
Exchange Differences	-	-	-
Transfer	-	-	-
At March 31, 2017	420538	-	420,538
Additions	20,000	236,000	256,000
Disposals	-	-	-
Exchange Differences	-	-	-
Transfer	-	-	-
At March 31, 2018	440538	236,000	676,538
Additions	32,400	-	32,400
Disposals	-	-	-
Exchange Differences	-	-	-
Transfer	-	-	-
At March 31, 2019	472938	236,000	708,938
Amortisation and Impairment			
At April 1, 2016	-	-	-
Amortisation expense for the year	46390.5	-	46,391
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2017	46390.5	-	46,391
Amorisation expense for the year	47,897	5,604	53,501
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2018	94287.5	5,604	99,892
Amorisation expense for the year	51,631	78,667	130,298
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2019	145918.5	84,271	230,190
Carrying Amount			
As at March 31, 2019	327020	151729	478,749
As at March 31, 2018	346251	230,396	576,647
As at March 31,2017	374148	-	374,148
As at April 1,2016	420538	-	420,538

SHARAT INDUSTRIES LIMITED

Notes forming part of the Financial Statements

(I) Assets

(in Rs.)

1) Non Current Assets			
Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
Other Non-Current Assets	4		
Unsecured, Considered Good		-	-
(to Parties other than related Party)			
Capital Advances			
Advances Other than Capital Advances			
Balances With Government Authorities			-
Security Deposits		13,953,081	13,567,982
Other Advances			-
Total (a+b+c)		13,953,081	13,567,982
2) Current Assets			
('a) Inventories :	5		
(As valued and certified by the Management)			
(i) Raw Materials		38,957,752	76,753,156
(ii) Finished Goods		361,752,301	265,844,443
(iii) Stock of Spares		7,199,838	8,262,957
		407,909,891	350,860,556
(b) Financial Assets :			
(i) Trade Receivables :	6		
Trade Receivables		417,140,220	231,174,647
Less : Allowance for Doubtful debts		-	-
		417,140,220	231,174,647
Receivables from Related Parties		-	-
Total		417,140,220	231,174,647
Current		417,140,220	231,174,647
Non-Current		-	-
Breakup of Good and Doughtful Debts			
Unsecured, Considered good		417,140,220	231,174,647
Unsecured, Considered doubtful		-	-
Total		417,140,220	231,174,647
Impairment Allowance (allowance for bad and doubtful debts):			
Unsecured, Considered good		417,140,220	231,174,647
Unsecured, Considered doubtful		-	-
Total		417,140,220	231,174,647

(ii) Cash and Cash Equivalents :	7		
(a) Cash on hand		536,229	183,760
(b) Balances with Banks:			
i) in Current Accounts		14,829,769	9,950,486
ii) Deposits with original maturity of less than 3 months		-	-
		15,365,998	10,134,246
Current			-
Non-Current			
(ii) Bank Balances Other Than Referred Above	8		
(a) Earmarked balances :			
i) Unclaimed dividend account		-	-
ii) In deposit accounts		46,553,190	38,342,377
(b) Balances with banks :			
Deposits with original maturity of more than 3 months		-	-
(c) EEFC Balances		565,487	403,948
(d) Deposit Accounts		-	-
Total		47,118,677	38,746,325
(C) Other Current Assets	9		
(a) Loans and Advances to Employees			
Unsecured, considered good		32,042	23,682
Less : Provision for Doubtful Advances		-	-
		32,042	23,682
(b) Loans and Advances to Vendors & Others		3,108,165	35,741,151
(c) Prepaid Expenses		1,025,573	319,769
(d) Balances with Government Authorities		27,171,975	10,128,909
(e) Others		51,824,059	31,037,487
		83,129,772	77,227,315
		83,161,814	77,250,997

(II) EQUITY & LIABILITIES**1) Equity**

Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
a) Equity Share Capital	10		
Authorised :			
Equity Shares of Rs. 10/- each		300,000,000	300,000,000
No. of shares FY : 3,00,00,000 (PY : 3,00,00,000)			
Redeemable Preference Shares of Rs. 100/- each		200,000,000	200,000,000
No. of shares FY : 20,00,000 (PY : 20,00,000)			
		500,000,000	500,000,000

Issued, Subscribed and Paid up:			
Equity Shares of Rs. 10/- each fully paid up		220,125,000	220,125,000
No. of shares FY : 2,20,12,500 (PY : 2,20,12,500)			
		220,125,000	220,125,000
Exchange Differences	-	-	-

(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 Mar 31, 2019	As At Mar 31, 2018
Equity Shares:			
Number of Shares at the beginning of the year		22,012,500	22,012,500
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
Number of Shares at the end of the year		22,012,500	22,012,500

(c) Details of Shareholders holding more than 5% shares : (in Rs.)

Name of Share holder	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
		No. of Shares - % held	No. of Shares - % held
S. Prasad Reddy		8814800-40.04%	8814800-40.04%
S. Sharat Reddy		2463800-11.19%	2463800-11.19%
b) Other Equity	11		
Capital Reserve			
Opening Balance		140,832,436	140,832,436
Add: Additions during the year		-	-
Closing Balance A		140,832,436	140,832,436
Capital Subsidy			
Opening Balance		428,315	428,315
Closing Balance B		-	428,315
Surplus/(Deficit) in Statement of Profit and Loss			
Opening Balance		140,264,873	128,891,663
Add: Profit for the year		28,953,830	11,373,210
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment		-	-
Closing Balance C		169,218,703	140,264,873
Total (A+B+C)		310,051,139	281,525,624

SHARAT INDUSTRIES LIMITED

Notes forming part of the Financial Statements

(in Rs.)

2) Non Current Liabilities			
Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
(a) Financial Liabilities	12		
(i) Borrowings			
Term Loan from Federal Bank (Secured)		82,253,440	34,771,685
Hire Purchase Loans From Banks		595,193	800,684
From Others		-	-
Total 12(i)		82,848,633	35,572,369
(ii) Other Financial Liabilities			
Other Loans		42,297,910	52,297,910
Advances from Customers		21,111,280	4,437,369
Deferred Advance from Rental Deposits		182,539	620,631
Total 12(ii)		63,591,729	57,355,910
		146,440,362	92,928,279

A. Nature of Security:

1. Term Loan from Federal Bank is secured by the charge of Fixed Assets to be Procured.
2. Hire Purchase Loans are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 48 monthly installments.

(in Rs.)

(b) Provisions	13		
Provision for employee benefits			
Post Retirement Benefits		1,966,972	1,432,804
Compensated Absences		-	-
		1,966,972	1,432,804
(c) Deferred Tax Liability	14		
On account of brought forward Losses			
Deferred Tax Liability			
On difference between book balance and tax balance of fixed assets		26,366,272	28,598,356
Deferred Tax Asset			
On Account of Minimum Alternate Tax		25,974,576	27,173,228
Net Deferred Tax Asset		391,696	1,425,128
		146,440,362	92,928,279

3. Current Liabilities		(in Rs.)	
Particulars	Note No.	As At Mar 31, 2019	As At Mar 31, 2018
(a) Financial Liabilities			
(i) Borrowings	15		
Loans Payable on Demand			
From Banks		446,636,610	339,018,474
From Others		-	-
		446,636,610	339,018,474
(ii) Trade Payables	16		
Trade Payables to Micro ,Small and Medium Enterprises		-	-
Trade Payables to Related Parties		-	-
Trade Payables Other than Micro Small and Medium Enterprises			
- For Supplies and Services		215,253,487	124,368,191
- For Expenses and Others		6,541,441	12,467,098
		221,794,928	136,835,289
(iii) Other Financial Liabilities	17		
Current Maturities of Long Term Borrowings		21,258,162	-
Provision for Gratuity		451,864	481,890
Current Portion of Finance Lease Obligation		-	-
Interest Accrued and Not Due		-	-
Other Borrowings		-	-
		21,710,026	481,890
(b) Other Current Liabilities	18		
(i) Statutory Remittances		1,842,357	1,328,908
(ii) Advances from Customers & Others		-	3,225,125
(iii) Unsecured from Others		-	-
(iv) Advances for Capital Goods			
		1,842,357	4,554,034
(c) Provisions	19		
Provision for employee benefits			
Post Retirement Benefits		-	-
Compensated Absences		-	-
Other Benefits		-	-
Provision for Sales Returns			
Provision for others			
(a) Provision for Taxes (Net of Advance Tax)		10,681,645	3,194,677
(b) Provision for Expenses		39,017,154	18,646,956
		49,698,799	21,841,633
TOTAL (a+b+c)		741,682,720	502,731,319

4) Revenues			
			(in Rs.)
Particulars	Note No.	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Revenue from Operations:	20		
(a) Sale of Products		1,791,747,831	1,370,104,302
(b) Sale of Services		47,906,703	18,100,838
(c) Other Operating Revenues		104,619,564	89,177,238
		1,944,274,098	1,477,382,378
(a) Sale of Products:			
Sale of Shrimp - Export		1,074,920,883	1,002,488,955
Sale of Feed		428,862,641	266,103,474
Sale of Raw Shrimp		311,344,975	113,004,743
Sale of Chemicals		550,937	900,250
Sale of Shrimp - Interstate		549,190	-
Total		1,816,228,626	1,382,497,422
Less: Sales Return		(3,881,989)	-
Turnover Discount		(20,598,806)	(12,393,120)
Net Turnover		1,791,747,831	1,370,104,302
(b) Sale of Services:			
Job Work Charges		47,906,703	18,100,838
		47,906,703	18,100,838
(c) Other Operating Revenue:			
Export Incentives		102,107,531	83,802,771
Sale of Shrimp shell waste		2,512,033	5,374,467
		104,619,564	89,177,238
Other Income :	21		
(a) Interest Income			
(i) On Bank Deposits		2,689,627	2,204,495
(ii) On Others		891,616	946,091
(b) Net gain on Foreign Currency Transactions		5,546,255	6,629,303
(c) Other Non-Operating Income		2,622,329	339,759
(d) Profit on sale of vehicle		567,293	-
		12,317,120	10,119,648

(in Rs.)

Particulars	Note No.	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Consumption of Raw Materials and Packing Materials	22		
Opening Stock		76,753,156	139,919,068
Add: Purchases		1,499,248,085	1,113,177,873
		1,576,001,241	1,253,096,941
Less: Closing Stock		38,957,752	76,753,156
		1,537,043,489	1,176,343,785
Changes in Inventory of finished goods:	23		
Inventories at the end of the year			
Finished Goods - Feed & Shrimps		361,752,301	265,844,443
		361,752,301	265,844,443
Inventories at the beginning of the year			
Finished Goods - Feed & Shrimps		265,844,443	201,402,645
		265,844,443	201,402,645
Stock Loss			
(a) Finished goods/Stock in trade		-	-
(b) Work-in-progress		-	-
Total Stock loss		-	-
(Increase) / Decrease in stock		(95,907,858)	(64,441,798)
Particulars	Note No.	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Employee Benefits Expense :	24		
Salaries, wages and bonus		81,785,973	69,637,822
Staff Welfare and contribution to other Funds		5,868,096	4,863,684
		87,654,069	74,501,506
Finance Costs :	25		
Interest Expense on:			
(i) Interest		55,861,743	43,828,750
(ii) Other Borrowing Costs		296,102	198,188
		56,157,845	44,026,938
Other Expenses	26		
Manufacturing Expenses			
Power & Fuel		64,243,504	57,694,899
Repairs & Maintenance			
- Buildings		1,621,395	4,913,629
- Plant & Machinery		4,470,184	5,510,614
- Electricals		46,762	372,156
Other Manufacturing Expenses		93,835,972	57,581,392
(a)		164,217,817	126,072,690

(in Rs.)

Particulars	Note No.	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Selling Expenses			
Advertisement		553,383	1,407,281
Ocean freight and export expenses		66,603,807	38,892,090
Marketing Expenses		6,833,070	9,155,808
Discount Allowed		15,440,010	3,658,695
	(b)	89,430,270	53,113,875
Other expenses			
Audit Fees			
For Statutory Audit		250,000	250,000
For Taxation purpose		100,000	100,000
Return preparation		50,000	50,000
For Other Services		-	-
Audit Expense		50,982	66,618
Bank Charges		2,748,669	346,599
Bad Debts		-	312,652
Donation		-	65,960
Consultancy Fees		3,787,736	4,055,922
Communication Expenses		668,278	569,453
General Expenses		1,030,485	1,039,692
Fuel Charges		1,060,327	445,010
Insurance		1,362,828	1,339,372
Legal, Statutory & Documentation Charges		811,112	95,141
Listing Fee		250,000	305,000
Loss on sale of vehicle		397,876	-
Inspection Charges		6,600	3,808
Office Maintenance		2,420,677	1,510,317
Printing & Stationery		2,973,882	2,687,455
Registration & Renewals		1,264,135	828,155
Rates & Taxes		15,888,722	10,894,483
Security Charges		4,022,901	3,997,178
Office Rent		1,627,975	1,417,000
Cold Storage Maintenance		41,820	-
Revocation Fees to SEBI		3,000,000	-
Travelling & Conveyance Expenses		4,241,428	2,897,889
Vehicles Maintenance		1,841,221	2,400,638
	(c)	49,897,654	35,678,341
Grand Total (a+b+c)		303,545,741	214,864,906

Earnings per Share	27	For the year ended Mar 31, 2019	For the year ended Mar 31, 2018
Profit / (Loss) after Tax attributable to Equity Shareholders		28,953,829.50	11,373,209.99
Weighted average number of equity shares		22,012,500	22,012,500
Basic & Diluted Earnings per Share		1.32	0.52
Face Value of the Share		10.00	10.00

Notes to the Financial Statements for the year ended March 31, 2019

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.

Notes to the Financial Statements for the year ended March 31, 2019

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.

Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements

are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Significant Accounting Policies

2.1 Property, Plant and Equipment (PPE)

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Property, plant and equipment are initially recognised at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition. Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year- end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as

the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.2. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Amortisation methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives on a straight line basis.

2.3 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.4 Non-derivative Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5 Impairment

Financial assets (other than at fair value)

Financial assets (other than at fair value) The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PPE and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of shrimps is recognised when all the significant risks and rewards of ownership have been passed to the buyer- normally when the shipment is loaded which is in accordance with industry practice and entitlement of export subsidies are based on shipment of goods. Shipments that have been despatched but have not been delivered at the end of the financial reporting period have been recognised as “Revenue on Shipments in Transit”.

Export benefits are accounted on recognition of export sales.

Revenue from the sale of Feeds is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Income recognition for services takes place as and when the services are performed.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset’s net carrying amount on initial recognition.

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.8 Research and Development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

2.9 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss

on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

2.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.11 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and compensated absences.

(i) Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan for qualifying employees. The provident fund is deposited with the Provident Fund Commissioner which is recognized by the Income Tax authorities.

Defined benefit plans

The Company operates various defined benefit plan such as gratuity fund.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or as set is recognised in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

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

(ii) Short term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.12 Foreign currency translation

The functional currency of the Company is Indian rupee

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

2.13 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which the y are incurred.

2.14 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.15 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms

of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.16 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

28 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as attrition rate, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analyzed in Note 28).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain assets.

Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities.

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: (In Rs.)

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

30 Gratuity and other post employment benefit plan (In Rs.)

Sl.No	Particulars	As at march 31, 2019	As at march 31, 2018
		(unfunded)	
	Defined Benefit Plan		
a)	Defined benefit obligation at the beginning of the year	1,914,694	1,897,681
b)	Current service cost	309,411	523,578
	Interest cost	142,453	132,838
	Actuarial (Gain)/ Loss	52,278	(639,403)
	Benefits Paid	-	-
	Defined Benefit obligation at the end of the year	2,418,836	1,914,694
	Expenses Recognised during the year		
	Current Service cost	309,411	523,578
	Interest cost	142,453	132,838
	Actuarial (Gain)/ Loss	451,864	656,416
	Actuarial Assumptions		
	Discount Rate (per Annum)	7.05%	7.44%
	Rate of Escalation in salary(per annum)	10.00%	10.00%

Sensitivity Analysis (Gratuity)

Sl.No	Particulars	Decrease			Increase		
		Rs.	Impact (Absolute)	%	Rs.	Impact (Absolute)	%
(a)	Discount Rate (-0.50/+0.50%)	2,450,765	31,929	1.32	2,387,934	(30,902)	(1.28)
(b)	Salary Inflation (-1/+1 %)	2,359,068	(59,768)	(2.47)	2,481,387	62,551	2.59
(c)	Withdrawal rate (-5/+5 %)	2,532,500	113,664	4.70	2,328,599	(90,237)	(3.73)

Maturity Profile of Defined Benefit Obligation (Gratuity)

Particulars	31-Mar-19	31-Mar-18
Year 1	662,904	481,890
Year 2	454,649	488,755
Year 3	361,335	295,590
Year 4	333,379	232,608
Year 5	279,653	205,193
After 5th Year	900,754	658,236
Total	2,992,674	2,362,272

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 (Rs. in lakhs)	As at March 31, 2018 (Rs. 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

Nature of Tax	As at March 31, 2019 (Rs. in lakhs)	As at March 31, 2018 (Rs. 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.

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.

33 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended March 31, 2016, all other variables being held constant. These changes are reasonably possible based on observation of current market conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with average interest rates.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. If interest rates increase or decrease by 100 basis points with all other variables being constant, the Company's profit after tax for the year ended March 31, 2019 would decrease or increase by Rs. 3.73 Lakhs. (March 31, 2018 : Rs. 2.42 Lakhs).

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity:

Currency	As at March 31, 2019		Currency	As at March 31, 2018	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	3,494,043	-	USD	1,348,556	-

Set out below is the impact of a 10% change in the US dollar on profit arising as a result of the revaluation of the Company's foreign currency financial instruments:

Currency	As at March 31, 2019		Currency	As at March 31, 2018	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	69.1198	349404.3	USD	65.32	134855.6

Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, deposits, loans etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, as summarised below: (In Rs.)

Classes of Financial Assets	As at March 31,2019	As at March 31,2018
Investments	-	-
Trade Receivable	41,71,40,220	23,11,74,647
Cash and Bank Balances	1,53,65,998	1,01,34,246
Bank Balances Other than above Balances	4,71,18,677	3,87,46,325
Other Financial assets	-	-
Total	47,96,24,895	28,00,55,218

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporate this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

Liquidity risk

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2019 and March 31, 2018.(in Rs.)

Particulars	Current Within 12 Months		Non current				Total		
			1-5 yrs		More than 5 years				
	31.3.2019	31.3.2018	31.3.2019	31.3.2018	31.3.2019	31.3.2018	31.3.2019	31.3.2018	
Borrowings	44,66,36,610	33,90,18,474	8,28,48,633	3,55,72,359			-	52,94,85,243	37,45,90,833
Trade Payables	22,17,94,928	13,68,35,289						22,17,94,928	13,68,35,289
Other Financial Liabilities	2,17,10,026	4,81,890	6,35,91,729	5,73,55,910				8,53,01,755	5,78,37,800
Total	69,01,41,564	476,335,653	14,64,40,362	92,928,269			-	83,65,81,926	569,263,922

34 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include

capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The Company's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises share capital and free reserves (total reserves including capital reserve). The following table summarizes the capital of the Company:

(in Rs.)

Particulars	March 31, 2019	March 31, 2018
Share Capital	22,01,25,000	22,01,25,000
Free Reserves	16,92,18,703	
	14,02,64,873	
Equity (A)	38,93,43,703	36,03,89,873
Short term borrowings	44,66,36,610	33,90,18,474
Long Term Borrowings	14,64,40,362	9,29,28,279
Current Maturities of Long term borrowings	2,12,58,162	-
Debt (B)	61,43,35,134	43,19,46,753
Cash and Cash Equivalents	1,53,65,998	1,01,34,246
Short Term Investments	-	-
Total Cash (C)	1,53,65,998	1,01,34,246
Net Debt (B-C)=D	59,89,69,136	42,18,12,507
Net Debt to Equity Ratio (D/A)=E	1.54	1.17

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.

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
F.R. No. 009805S

For and on behalf of the Board of Directors

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

S.Prasad Reddy
Managing Director DIN
: 00069094

S.Sharat Reddy
Executive Director
DIN : 02929724

P.Vivekananda Gupta
Chief Financial Officer

C.Rubavathy
Company Secretary

SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)

Regd. Office: VENKANNAPEM 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		

Signed thisday of2019

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.

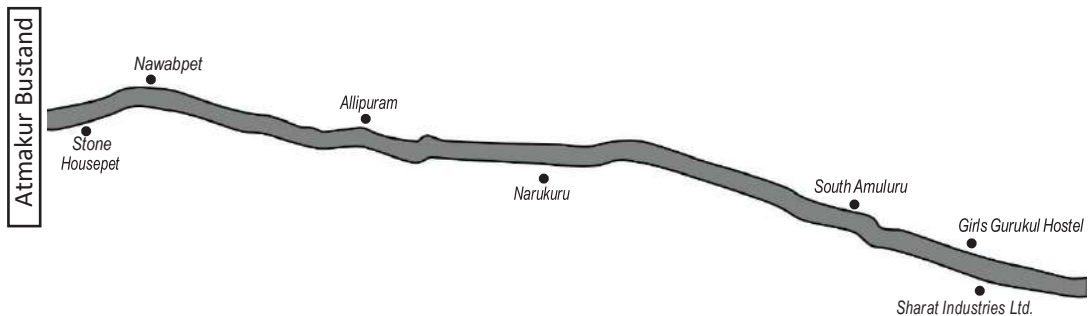
SHAREHOLDER'S INFORMATION

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



BOOK-POST

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.