



SHARAT INDUSTRIES LIMITED

CIN - L05005AP1990PLC011276

Regd. Off. : Feed Plant, Hatchery & Farm

Venkanna Palem Village, T.P. Gudur Mandal, Nellore - 524 002, Nellore Dist, A.P.

Processing Plant : Mahalakshampuram Village, T.P. Gudur Mandal, Nellore - 524 002, Nellore Dist, A.P.

E-mail : accounts@sharatindustries.com, Website : www.sharatindustries.com

Date: 30th June, 2021

To,

BSE Limited,
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 532370.

Dear Sir/Madam,

Sub: Submission of Annual Secretarial Compliance Report

Ref: Scrip Code: 519397

In line with the requirements of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No: CIR/CFD/CMD1/27/2019 dated 8th February 2019; we are submitting herewith the Annual Secretarial Compliance Report for the Financial Year 2020 – 2021 issued by Mr. V. Sundar, Practising Company Secretary.

Kindly take the above information on record.

Thanking You,

Yours Faithfully,

For **SHARAT INDUSTRIES LIMITED**

B. Vignesh Ram
B.VIGNESH RAM



COMPANY SECRETARY & COMPLIANCE OFFICER

Corporate Off. : Flat No. 4, 3rd Floor, Pallavi Apartments,
No. 57/11, Old No. 29/TF4, 1st Main Road,
HDFC Bank Compound, R.A.Puram, CHENNAI - 600 028.
Contact No. : 044-24347867 / 24357868,
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Nellore Off. : 16-6-143, Opp. Manasa Apartment,
Srinivasa Agraharam, Nellore - 524 001.
Tel. No. : 0861 - 2331727
E-mail : hrd@sharatindustries.com



V. Sundar B.Com., C.A.I.I.B., F.C.S
Practising Company Secretary

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**SECRETARIAL COMPLIANCE REPORT OF SHARAT INDUSTRIES LIMITED FOR THE YEAR
ENDED 31ST MARCH 2021.**

[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined:

- a) All the documents and records made available to us and explanation provided by **SHARAT INDUSTRIES LIMITED**
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2021 ("Review Period") in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include: -

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iv. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- v. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued there under;
- vii. Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018;
(Not applicable to the Company during the audit period)



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viii. Securities and Exchange Board of India (Listing of Debt Securities) Regulation, 2008;

(Not applicable to the Company during the audit period)

ix. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation;

(Not applicable to the Company during the audit period)

And based on the above examination, we hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below: -

S.No	Compliance Requirement	Deviations	Observations/ Remarks
1.	Regulation 29 (1) (a) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to intimate Stock Exchange 5 days in advanced regarding the Board Meeting in which the Financial Results to be considered.	Due to technical issues faced by the company there was a one-day delay in complying with Regulation 29 (1) (a) of SEBI (Listing of Obligation and Disclosure Requirement) Regulation, 2015.	Company has paid a penalty of Rs. 5000/- levied by SEBI for non-compliance of Regulation 29 (1) (a).
2.	With effect from 1 st April, 2020 Regulation 17(1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 states that Top 2000 Listed Company based on Market Capitalization requires at least Six Directors on the Board of the Company.	The Company had only 5 Directors on the Board till 29 th September, 2020.	Due to Various Lockdown imposed by Central and State Government the company was not in position to comply with Regulation 17(1) (c) from the period of June, 2020 to September, 2020. The non-compliance was remedied immediately the lock down was lifted. BSE has levied a penalty of Rs.10,62,000/- for non-compliance till the date of remediation of the non-compliances. However, based on the company's various representations, BSE considered the same and penalty levied by the Exchange was waived and the Company is in the process of obtaining the refund.
3.	Regulation 31 (2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to maintain 100% of the Shareholding of the Promoters in dematerialized form.	Due to inadvertent classification of "Public" shareholders in "Promoters" category the company was not able to maintain 100% Shareholding of the Promoters in dematerialized form.	In view of the said classification which was carried out inadvertently by the Company, bringing some "Public" shareholders in the Promoters' category, and classifying the same, & also classified as



			<p>"Promoters", resulting in the company not able to maintain the 100% of the Shareholding of the "Promoters" in dematerialized form.</p> <p>Accordingly, the company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 dated 26th May,2021 requesting SEBI to approve the reclassification of "actual" 4[four] Promoters.</p>
4.	Regulation 31A SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires to follow the procedure for Reclassification of Promoters.	The company was not in position to comply with the procedure for reclassification of promoters as majority of shareholders classified as "promoters' were not traceable.	<p>At the time of Initial Public offer (IPO), some of the shareholders belonging to the "Public" Category was inadvertently classified as "Promoters".</p> <p>At the time of filing Shareholding pattern for the quarter ended 30th September, 2020, the company encountered difficulty of loading Shareholding data in XBRL form as PAN details of all the promoters were required. Hence the company filed the Shareholding pattern with actual four promoters of whom the details of PAN were available.</p> <p>After filing the Shareholding pattern, company approached the SEBI for redressing the issue.</p> <p>SEBI after looking in to the matter directed the company to file a petition under Regulation 102 of SEBI (LODR) Regulation, 2015 seeking dispensation in complying with the provision of Regulation 31A of SEBI (LODR) Regulation, 2015.</p> <p>The company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 on 26th May,2021 along with a fee of Rs. 100,000/- requesting SEBI to approve the reclassification of Promoters only with actual promoters of the company namely Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki Reddy and Mrs. S. Charita Reddy without taking route under Regulation 31A of SEBI (LODR) Regulation, 2015.</p>



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5.	Regulation 40 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires the transfer and transmission of securities between the promoters of the company.	Due to inadvertent classification of Promoters the company is not in a position to transfer securities of the promoters.	The company has filed an application under Regulation 102 of SEBI (LODR), 2015 seeking reclassification of actual promoters of the company. After the requisite order from SEBI the company will be in position to transfer the securities of the promoters of the company.
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- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

S. No	Action taken by	Details of violation	Details of action taken E.g., fines, warning letter, debarment, etc.	Observations/ remarks
NIL				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S.No	Observations in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March 2020.	Actions taken by the listed entity, if any	Comments on the actions taken by the listed entity
NIL				

Place: Chennai
Date: 30.06.2021

V.SUNDAR
Practising Company Secretary
FCS No. F4542/ CP No. 20920
UDIN: F004542C000549405