

# SHARAT INDUSTRIES LIMITED



**25<sup>th</sup> Annual Report 2014-2015**

## **BOARD OF DIRECTORS**

- |    |                       |   |
|----|-----------------------|---|
| 1. | Mr. S. Prasad Reddy   | Chairman & Managing Director (CMD)                  |
| 2. | Mr. Veerraju Manda    | Independent Director                                |
| 3. | Mr. M.B.R.Prasad      | Independent Director                                |
| 4. | Mr. T. Valsaraj       | Independent Director                                |
| 5. | Mr. S. Sharat Reddy   | Whole Time Director (ED)                            |
| 6. | Mrs. S. Charita Reddy | Woman Additional Director<br>w.e.f. 30th March 2015 |

## **BANKERS**

**THE FEDERAL BANK LIMITED**

## **AUDITORS**

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

## **INTERNAL AUDITORS**

M/s A R Krishnan & Associates,  
Chartered Accountants

## **REGISTERED OFFICE & FARM**

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

## **CORPORATE OFFICE**

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

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SHARAT INDUSTRIES LIMITED  
(CIN: L05005AP1990PLC011276)

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

## NOTICE

**NOTICE** is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of the Company will be held on **Wednesday, the 30th September, 2015**, at 10.00 a.m. at the Registered Office of the Company at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, to transact the following business;

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Sharat Reddy (DIN: 02929724), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of, M/s. P.A.REDDY & CO, Chartered Accountants, (Firm Registration No: 007368S) made by Shareholders of the Company pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013) as Statutory Auditors of the Company to hold office from the conclusion of the 24th Annual General Meeting for a period of three years till 27th Annual General Meeting be and is hereby ratified.

### SPECIAL BUSINESS

4. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to Sections 149, 152, 164 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. S. Charita Reddy (DIN:02930302), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Women Director, be and is hereby appointed as Director of the Company and liable to retire by rotation."

5. **REAPPOINTMENT AND REVISION OF REMUNERATION OF MR. S. PRASAD REDDY AS MANAGING DIRECTOR:**

**To Consider and if thought fit, to pass with or without modifications, the following**

**resolution as a Special Resolution.**

**"RESOLVED THAT** Pursuant to provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, consent of the members be and is hereby accorded for appointment of Mr. S. Prasad Reddy (DIN: 00069094) as Managing Director of the Company for a period of Three (3) years from 1st April, 2015 on the following terms and conditions mentioned below.

- (a) Salary : Rs.6,00,000 -Rs.50,000- Rs.7,00,000 per month.

**Other Perquisites :**

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

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

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

"RESOLVED FURTHER THAT the board of directors of the company be and are hereby authorised to do all such act and deeds as may be necessary to give effect to this resolution"

6. **To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

**RESOLVED THAT** the consent of the Company be and is hereby accorded under the provisions of Section 180 and other applicable provisions, if any, of the Companies Act 2013 to the Board of Directors to borrow from time to time all such sums of monies as it may deem requisite for the purpose of business of the Company, notwithstanding that monies to borrow together with the monies already borrowed (apart from temporary loan obtained from bankers in the ordinary course of business) will exceed in the aggregate paid-up capital and free reserves, i.e. to say reserves not set apart for any specific purpose, provided however, that the total amount up to which monies may be borrowed by the Directors shall not exceed the sum of Rs.150 Crores (Rupees One hundred and Fifty Crores only)

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

{SD}

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

PLACE: VENKANNAPELEM  
DATE: 5th September 2015

**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 27th September 2015 to 30th September 2015.(both days inclusive)
3. An explanatory statement pursuant to section 102(1) of the companies act, 2013 in respect of special business is annexed hereto.
4. Members are requested to immediately intimate any change in their address registered with the company.
5. The company's equity shares are listed with Bombay stock exchange Ltd.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable consolidation of their shareholdings in one folio.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. 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.
9. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. Voting through Electronic means:
  - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration) Amendment Rules, 2015 and clause 35B of the Listing Agreement, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be

considered at the twenty fifth Annual General Meeting (AGM) by electronic means and the business may be transacted through e- voting services provided by CSDL.

- (ii) The voting period begins on 27-09-2015 at 9.00 a.m. and ends on 29-09-2015 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 26-09-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>◆ 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</li> <li>◆ 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.</li> </ul>
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.
	<ul style="list-style-type: none"> <li>◆ 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).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.



(xix) Note for Non - Individual Shareholders and Custodians

- ♦ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ♦ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ♦ After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ♦ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ♦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

### **Explanatory Statement**

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

#### **ITEM Nos.:4**

The Company has received a notice from a shareholder proposing the candidature of Mrs. S. Charita Reddy (DIN : 02930302) as a Women Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013, Mrs. S. Charita Reddy is Bachelor of Business Administration (BBA) and she is having good experience and managing the Administrative and finance functions of similar organization.

The Company has received from Mrs. S. Charita Reddy (i) consent in writing to act as Women Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013

The Nomination and Remuneration Committee, at its meeting held on 30.03.2015 has considered the appointment of Mrs. S. Charita Reddy as woman Director and after considering her qualification and experience they have recommended to the Board for her appointment. The Board has considered the matter in detail and recommended the resolution for the approval of members.

In the opinion of the Board of Directors, Mrs. S. Charita Reddy proposed to be appointed, as a Women Director, fulfill the conditions specified in the Companies Act, 2013 and the

Rules made hereunder. A copy of the draft letter for the appointment of Mrs. S. Charita Reddy as a Women Director is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives, except Mrs. S. Charita Reddy for whom the Resolution relates, Mr. S. Prasad Reddy and Mr. S. Sharat Reddy are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Mrs. S. Charita Reddy as Women Director of the Company for five consecutive years for a term upto 31.03.2019 pursuant to applicable provisions of the Act, Rules made there under and that she shall be liable to retire by rotation

#### **Item No.5**

The share holders of the company have approved the appointment of Mr. S. Prasad Reddy as Managing Director, for a period of 3 years from 1st April, 2013 in the AGM held on 30.09.2013. The Board of Directors of the Company (the 'Board'), at its meeting held on 5th September, 2015 based on the recommendations of the Nomination and Remuneration Committee approved the reappointment and remuneration subject to approval of shareholders as detailed below.

It is proposed to seek the members' approval for the appointment of and fixation of remuneration payable to Mr. S. Prasad Reddy as Managing Director in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made there under.

Mr. S. Prasad Reddy satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

As required under clause (iv) of second proviso to clause (B) of Section II of Part-II of Schedule V of the Companies Act, 2013 the relevant details to be sent along with the Notice calling the general meeting are as under:

#### **Item No.6**

With the expansion of the business, for its working capital and other financial requirements the company has to borrow money from the Banks. As per the provisions of the Section 180 of the Companies Act, 2013, the company has to obtain the approval of shareholders in the general meeting by way of special resolution, if the borrowings made by the company exceeds the paid up share capital and free reserves. Hence Board recommends the above resolution to the members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned in the Resolution.

**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	<div>(Rs. In 'Lakhs)</div> <table> <tr> <th></th><th>2014-15</th><th>2013-14</th></tr> <tr> <td>Gross Revenue</td><td>: 20660.61</td><td>14108.97</td></tr> <tr> <td>Total Expenditure</td><td>: 20040.92</td><td>13659.94</td></tr> <tr> <td>Financial Expenses</td><td>: 227.87</td><td>55.62</td></tr> <tr> <td>Operating Profit</td><td>: 391.81</td><td>393.41</td></tr> </table>		2014-15	2013-14	Gross Revenue	: 20660.61	14108.97	Total Expenditure	: 20040.92	13659.94	Financial Expenses	: 227.87	55.62	Operating Profit	: 391.81	393.41
	2014-15	2013-14															
Gross Revenue	: 20660.61	14108.97															
Total Expenditure	: 20040.92	13659.94															
Financial Expenses	: 227.87	55.62															
Operating Profit	: 391.81	393.41															
5	Foreign Investments or collaborators, If any	Nil															

**II. INFORMATION ABOUT THE APPOINTEE:**

Background details	Mr. S Prasad Reddy is Managing Director of the company from its inception and he was devoting entire time for the development of the company and instrumental for survival & success of the company.
Past remuneration	Mr. S. Prasad Reddy was earlier drawing a salary of Rs. 2,75,000 per month when the company was passing through difficult times
Recognition or awards	Nil
Job profile and his suitability	He is discharging the duties of the Managing director of the company and is playing an important role in the official discharge of the duties in the company. He is also taking care of entire domestic & overseas marketing led to the higher turnover during the year.
Remuneration proposed	Rs. 6, 00,000 - Rs. 50,000- Rs. 7, 00,000 per month.
Comparative remuneration profile with respect to industry size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)	The remuneration proposed is comparable with respect of the Industry Profile, size of the company, position of the person and his past experience.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	He is having 40% shareholding. Relatives Mr. S Sharat Reddy & Mrs. Charita are fellow directors.
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**III. Other Information:**

## 1. Reasons for inadequacy of Profits:

The company is in the process of consolidation of its operations and the company expects to make adequate profits in the years to come.

## 2. Steps taken or proposed to be taken for improvement:

Expanding its operations to optimize cost, expenses and improve revenues was undertaken during current financial year.

## 3. Expected increase in productivity and profits in measurable terms expecting revenues to improve in the current financial year.

**IV. Disclosures:**

(1) The shareholders of the Company shall be informed of the remuneration package to the Mr. S. Prasad Reddy in Annual Report 2014-2015. The above may be treated as a written memorandum setting out the terms of appointment of Mr. S. Prasad Reddy under section 190 of the Act.

Mr. S. Prasad Reddy may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of his appointment as Managing Director and his other relatives, to the extent of their shareholding interest and Directorship in the Company, may be deemed to be concerned or interested in the appointment of Mr. S. Prasad Reddy.

Save and except the above, none of other Director/Key Managerial personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no 5 of the Notice.

The Board of Directors recommends the special resolution set out at item No. 5 of the Notice for approval by the shareholders.

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING**

Particulars	Mr. S. Sharat Reddy
DIN	02929724
Date of Birth	10/07/1989
Date of Appointment	31/01/2013

Qualifications & Expertise	Post Graduate in Industrial Engineering and Operations Research  Technical Capabilities for developing Systems to implement the traceability which is essential for export markets.
Directorship / Shares held in other Public Companies	Nil
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil
Number of shares held in the Company	8000

**DETAILS OF DIRECTORS SEEKING APPOINTMENT AS WOMEN DIRECTOR AT THE ANNUAL GENERAL MEETING**

Particulars	Mrs. S. Charita Reddy
DIN	02930302
Date of Birth	03/06/1986
Date of Appointment	30/03/2015
Qualifications & Expertise	Bachelor of Business Administration Experience in Administrative and Finance Functions
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	8000

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

{SD}

PLACE: VENKANNAPELEM  
DATE: 5th September 2015

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

**DIRECTORS' REPORT**

Dear Members of Sharat Industries Limited,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2015

**1. FINANCIAL HIGHLIGHTS**

Particulars	Year ending 31.03.2015 (Rs.in lakhs)	Year ending 31.03.2014 (Rs.in lakhs)
Total Turnover	20,660.61	14,108.97
Profit before Depreciation and Interest	1,353.33	752.02
Less: Interest - finance cost	227.88	55.62
Depreciation	522.08	302.99
Profit Before Exceptional items and Tax	603.37	393.41
Exceptional items	211.56	-
Provision for Tax	135.28	136.68
Profit after Tax	256.53	256.73
Profit brought forward from the previous year	644.40	387.67
Profit carried over to Balance Sheet	900.93	644.40

2. **SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS :** The turnover of the company for the year ended 31st March, 2015 was Rs.20,660.61 lakhs against Rs.14,108.97 lakhs in the previous year. During the year the company made sales of Rs. Rs. 19,218.83 lakhs against Rs.13,541.48 lakhs in the previous year Job work receipts of Rs. 454.69 lakhs against Rs. 415.75 lakhs in the previous year and during the year the company has made an operating profit of Rs.391.81 lakhs against Rs. 393.41 lakhs in the previous year.

During the year, the company's shrimp exports grew up by 81% and domestic feeds sales grew up by 29% as compared to the previous financial year

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

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

4. **SHARE CAPITAL :** As on 31st March 2015, the issued, subscribed and paid up capital of your company stood at Rs.22,01,25,000/- comprising of 2,20,12,500/- equity shares of Rs.10/-each.

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

6. **RESERVES , IF ANY**

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

7. **LISTING OF SHARES :**

The equity shares of the Company have been listed on the Bombay Stock Exchange at Mumbai. The company confirms that it has paid Annual Listing Fees due to the Bombay Stock Exchange for the year 2015-2016.

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

8. **CHANGE IN NATURE OF BUSINESS**

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

9. **MATERIAL CHANGES AND COMMITMENTS**

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

10. **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

12. **EXTRACT OF ANNUAL RETURN :**

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

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

There are no Subsidiary/ Joint venture/ Associate companies

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

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

15. **STATUTORY AUDITORS**

The Auditors M/s P.A. Reddy & Co., Chartered Accountants, retiring auditors of the Company, were appointed as Statutory Auditors to hold office for a period of three

years from conclusion of 24th Annual General meeting till the conclusion of 27th Annual General Meeting. The resolution relating to ratification of the appointment is put to ratification by members in the ensuing Annual General Meeting.

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

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

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

The report of the Insurance Company on actuarial liability for gratuity is awaited. We shall make the requisite provision in the current year.

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

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

17. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

During the year, Mrs. S. Charita Reddy has been appointed as an Additional Director under the category of Woman Director on the Board of the company.

During the year Mr. V C Ramakrishna Kumar has been appointed as Chief Financial Officer of the company.

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-



in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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;

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;

the directors had prepared the annual accounts on a going concern basis; and

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.

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 Nine Board Meetings and Five Audit Committee Meetings, 6 share transfer committee meetings and 2 nomination & remuneration committee meetings 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. 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](http://www.sharatindustries.com).

**22. RISK MANAGEMENT:**

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

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

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

**a) Conservation of energy**

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

(iii)	the capital investment on energy conservation equipment's	---
-------	---	-----

**b) Technology absorption**

**N A**

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

**(c) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the total foreign exchange used was Rs. 5,35,81,839/- and the total foreign exchange earned was Rs. 1,08,66,83,345/-24.

**24. 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.

**25. CORPORATE GOVERNANCE**

The Corporate Governance Report as stipulated in Clause 49 of the Listing agreement shall be annexed with the report. ANNEXURE-VII

**26. 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.

**27. 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)

**28. 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 making loan	Details of Investee	Amount	Purpose for which the loan is to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Security
				**NIL**			

#### DETAILS OF GUARANTEE / SECURITY PROVIDED :

SL No	Date of providing security / guarantee	Details of recipient	Amount	Purpose for which the loan is to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Security
				**NIL**			

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

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

#### 30. SECRETARIAL AUDIT REPORT

A Secretarial Audit Report given by Sri. D.S. Venkata Narasimhan, Company secretaries is annexed with the report. With reference to the observations made, we state that The unintended delays in filings were due to the secretarial staff. The Company Secretary (CS) selected has not joined as the Registered Office is at a rural place. However, the company is making use of the practicing Company Secretary to ensure compliances. The company proposes to initiate the process for dematerialization during the year. (Annexure -I)

Comments in Directors report:

The Company is in the process of dematerializing the shares and also getting the connectivity from NSDL and CDSL. The Company is taking effective steps to comply with listing agreement and filing of forms with MCA in time. The Company has taken steps to appointing Company Secretary. According to the section 135 of Companies Act, 2013, CSR is not applicable for this Company since the net profit does not exceed Rs.5.00 crores.

#### 31. INTERNAL AUDIT

In terms of sec 138 of the companies' act 2013 and the relevant rules the company appointed M/s A R Krishnan & Associates, Chartered Accountants as the internal

auditors of the company. The internal auditor directly reports to the audit committee.

#### 32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under 49 of the listing agreement with Stock Exchange, is annexed hereto ANNEXURE - VI

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

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

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

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

#### 35. MECHANISM FOR BOARD EVALUATION

Clause 49 of the Listing Agreement 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.

#### 36. PERSONNEL:

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

37. **ACKNOWLEDGEMENTS:**

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

**BY THE ORDER OF BOARD OF DIRECTORS**  
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM  
DATE: 5th September 2015

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE-I**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31st March, 2015**  
*[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, 2015 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board

of India Act, 1992 ('SEBI Act') viz. :-

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; The company reported that the Madras Stock Exchange (MSE) has exited from securities business and the company has been delisted by virtue of SEBI Notifications there on the company's shares have been placed are the dissemination board of NSE for trading purpose.
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- (vii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;
- (viii) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- (ix) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (x) Income Tax Act, 1961 and rules made there under;
- (xi) Service Tax Act, 1994 and rules made there under;
- (xii) The Securities and Exchange Board of India ( Buy Back of securities ) Regulations , 1998

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 (Not applicable for the period under review).

**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, while the dissenting members

views are captured and recorded as part of the minutes.

#### I Further Report

1. There were delays in filing certain e forms with MCA
2. The company reported that the Bombay Stock Exchange (BSE) has suspended the stock trading of the company. The company, however, has been complying with all the Listing Clauses except that there were delays in filings as per the Annexure -A
3. The company's shares has not been dematerialized and no agreements have been entered into with NSDL and CDSL consequently the Company has not appointed Share Transfer Agent.
4. The Company has NOT appointed Company Secretary (CS).
5. As per the Audited Financial Statements under review, the profit before the Exceptional Items is Rs.60337345/- The exceptional items has been shown as Rs.21156133/- & the net profit was shown as Rs.39181212/- consequently, the company has not adhered to CSR as per the provisions of Section 135 of Companies Act 2013.

#### OTHER SPECIFIC LAWS:

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

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

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

**Date: 5th September,2015**  
**Place : Chennai**

**D.S.VENKATANARASIMHAN**  
**Name of Company Secretary in Practice:**  
**Membership No: F5625**  
**Certificate of Practice No. 5276**

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

#### ANNEXURE

To  
The Members  
**SHARAT INDUSTRIES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the

company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Date: 05.09.15**  
**Place:Chennai**

**D.S.VENKATANARASIMHAN**  
**Practising Company Secretary**  
**Membership No:FCS5625**  
**Certificate of Practice No:5276**

#### ANNEXURE -A LIST OF FORMS DELAY IN FILING WITH MINISTRY OF CORPORATE AFFAIRES (MCA)

Description of the Event / Matter	Date Of The Event	Section & Description	Due date for filing / compliance	Date of Filing SRN/ SR compliance	Concerne d with Authority (ROC/ NCL /Court)	Reasons for delay, if any
<b>FORM ADT 1</b> Appointment of Statutory Auditors	30/09/2014	Section 139, 141 and 142 of the Companies Act 2013	15/10/2014	14/11/2014 S33328113	ROC	As it is New Act
<b>FORM 23 AC &amp; ACA</b> in XBRL Filling Of Annual Accounts For The Year Ended 31st March 2014	30/09/2014	Pursuant to section 220 of the Companies Act, 1956 and Companies(Filing of documents and forms in extensible Business Reporting Language) Rules, 2011]	30/10/2014	27/11/2014 Q48598379	ROC	As it is New Act
<b>FORM MR 1</b> <b>Appointment of Whole time Director and payment of Remuneration</b>	01/04/2014	Section 196 and 203 of the Companies Act, 2013	30/06/2014	28/11/2014 C34676205	ROC	As it is New Act



**ANNEXURE -B**  
**STOCK EXCHANGE COMPLIANCES & DUE DATE**

SN	COMPLIANCE	DUE DATE OF FILING	DELAY IF REASONS ANY
1	Clause 35 – Shareholding Pattern	Within 21 days from quarter end	Filed on time
2	Clause 41- Financial Results	Within 45 days from quarter end	Filed on time
3	Clause 49- Corporate Governance	Within 15 days from quarter end	Delay in filing
4	Reconciliation of Share Capital Audit	Within 30 days from quarter end	Delay in filing
5	47 (c)	Half yearly	Delay in filing

**ANNEXURE-II**  
**FORM NO. MGT 9**

*Extract of Annual Return as on financial year ended on 31.03.2015*  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. I. REGISTRATION & OTHER DETAILS:**

i)	CIN:	<b>L05005AP1990PLC011276</b>						
	Registration Date [DD/MM/YYYY]	07/05/1990						
	Name of the Company	Sharat Industries Limited						
ii)	<b>Category of the Company</b>	Public Company						
iii)	<b>Sub Category of the Company</b>	Limited by Shares						
iv)	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes <table border="1"> <thead> <tr> <th>SI No.</th><th>Stock Exchange Name</th><th>Code</th></tr> </thead> <tbody> <tr> <td>1</td><td>Bombay Stock Exchange</td><td>BSE</td></tr> </tbody> </table>	SI No.	Stock Exchange Name	Code	1	Bombay Stock Exchange	BSE
SI No.	Stock Exchange Name	Code						
1	Bombay Stock Exchange	BSE						
v)	AGM details-	30/09/2015 at 10:00 A.M. at the Registered Office of the Company Situated at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.						

	Whether extension of AGM was granted – Yes / No. ( If yes, provide reference number , date of approval letter and the period up to which extension granted)	No
	If Annual General Meeting was not held, specify the reasons for not holding the same	Not Applicable
Vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
	Company Name	Sharat Industries Limited
	Address	Venkannapalem Village, T.P. Gudur Mandal,
	Town / City	Nellore District
	State	Andhra Pradesh
	Pin Code:	524 002
	Country Name :	INDIA
	Country Code	—
	Telephone (With STD Area Code Number)	0861-2389155
	Fax Number :	—
	Email Address	<a href="mailto:Sharatpremium@gmail.com">Sharatpremium@gmail.com</a>
	Website	<a href="http://www.sharatindustries.com">www.sharatindustries.com</a>
	Name of the Police Station having jurisdiction where the registered office is situated	<b>T.P. Gudur Police Station</b> T.P. Gudur, Nellore Dist, Andhra Pradesh,
	Address for correspondence, if different from address of registered office:	
Vii)	Name and Address of Registrar & Transfer Agents ( RTA )	
	Registrar & Transfer Agents ( RTA ):-	The company right now has in house transfer facility and proposes to appoint RTA .
	Address	
	Town / City	
	State	
	Pin Code	
	Telephone (With STD Area Code Number)	
	Fax Number	
	Email Address	

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

Sl No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Frozen Shrimp Exports	03061319	53%
2	Shrimp Feed Domestic	108010809	36%

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

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

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	9393800	9393800	42.67	0	9393800	9393800	42.67	NIL
	0	0	0	0	0	0	0	0	NIL
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	0	2155700	2155700	9.79	0	2155700	2155700	9.79	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
<b>Sub-total</b>	0	11549500	11549500	52.46	0	11549500	11549500	52.46	NIL
<b>(A)(1):-</b>									
<b>(2) Foreign</b>									
a)Individuals(Non-Resident Individuals/Foreign Individuals)	0	450400	450400	2.05		448000	448000	2.04	0.01
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0

<b>Sub-total (A)(2):-</b>	0								
<b>Total shareholding of Promoter (A)</b>	0	11999900	11999900	54.51	0	11997500	11997500	54.50	0.01
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	70000	70000	0.32	0	70000	70000	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	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
<b>Sub-total (B)(1):-</b>	0	70000	70000	0.32	0	70000	70000	0.32	0
									0
									0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	707200	707200	3.21	0	707200	707200	0.32	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	8215000	8215000	37.32	0	8217400	8217400	37.33	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1020400	1020400	4.64	0	1020400	1020400	4.64	0
	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	352000	2.69	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0

Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members									0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	9942600	9942600	45.17		9945000	9945000	45.18	0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)		10012600	10012600	45.49		10015000	10015000	45.50	0.01
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>22012500</b>	<b>22012500</b>	<b>100</b>	<b>0</b>	<b>22012500</b>	<b>22012500</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1)	S. Prasad Reddy	88,14,800	40.04	0	88,14,800	40.04	0	0
2)	S. Devaki	1,39,100	0.63	0	1,39,100	0.63	0	0
3)	S.Charita Reddy	8,000	0.04	0	8,000	0.04	0	0
4)	S. Sharat Reddy	8,000	0.04	0	8,000	0.04	0	0
5	Charita Industries Private Limited	10,70,066	4.86	0	10,70,066	4.86	0	0
6	Inko Fisheries Private Limited	10,85,534	4.93	0	10,85,534	4.93	0	0
7	Other share holders	8,74,400	3.97	0	8,72,000	3.96	0	0.01
	<b>TOTAL</b>	<b>11999900</b>	<b>54.51</b>	<b>0</b>	<b>11997500</b>	<b>54.50</b>	<b>0</b>	<b>0.01</b>

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11999900	54.51		
	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):	2400	0.01		
	At the end of the year	11997500	54.50		

**D) Shareholding Pattern of top ten Shareholders**

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Name	Share holding at the beginning of the year 01.04.14		Date	INC/ DEC	Reason	Cumulative shareholding during the year (01.4.14 to 31.3.15)	
		No of shares	%				No of shares	%
1.	Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
2.	Madhusuduan V Pulijal	1,17,300	0.53				1,17,300	0.53
3.	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.	Rajyalakshmi Kottapalli	37,400	0.17				37,400	0.17
9.	Raja Ramesh Kottapalli	37,400	0.17				37,400	0.17
10.	M. Mallikarjuna Rao	34,200	0.16				34,200	0.16

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

**A. Key Managerial Personnel :**

Sl.No	Name	Share holding at the beginning of the year 01.04.14		Increase	Reason	Cumulative shareholding during the year (01.4.14 to 31.3.15)	
1	S. Prasad Reddy	8814800	40.04%	-	Nil	8814800	40.04%
2	S. Sharat Reddy	8000	0.04%	-	Nil	8000	0.04%

**B. Directors :**

Sl.No	Name	Share holding at the beginning of the year 01.04.14		Increase	Reason	Cumulative shareholding during the year (01.4.14 to 31.3.15)	
1	S. Charita Reddy	8000	0.04%	-	Nil	8000	0.04%

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

	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2015	
	Equity Shares		Equity Shares	
S. Prasad Reddy	88,14,800 Shares	40.04%	88,14,800 Shares	40.04%

**V) INDEBTEDNESS -**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
--	----------------------------------	-----------------	----------	--------------------

<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,54,68,023	5,56,97,910		11,11,65,933
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	5,54,68,023	5,56,97,910		<b>11,11,65,933</b>
<b>Change in Indebtedness during the financial year</b>	—	—	—	—
* Addition	19,26,22,395	—	—	18,99,20,252
* Reduction	29,88,965	27,00,000	—	29,86,822
<b>Net Change</b>	18,96,33,430	27,00,000	—	18,69,33,430
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	24,51,01,453	5,29,97,910		29,80,99,363
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-			
<b>Total (i+ii+iii)</b>	24,51,01,453	5,29,97,910	-	29,80,99,363

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount	
		S. Prasad Reddy MD	S. Sharat Reddy WD		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,00,000	42,00,000		75,00,000
	(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)	33,00,000	42,00,000		75,00,000
	Ceiling as per the Act	84,00,000	84,00,000		168,00,000

#### B. REMUNERATION TO OTHER DIRECTORS : NIL

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

#### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem

DATE : 05th September 2015

DIRECTOR

MANAGING DIRECTOR

#### 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

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- 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-  
NIL**

**Date of meeting in which approved :**

**FOR AND ON BEHALF OF THE BOARD**

**PLACE: Venkannapalem**

**DATE : 05th September 2015**

**DIRECTOR**

**MANAGING DIRECTOR**

**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;	S PRASAD REDDY - 33 : 1 S SHARAT REDDY - 42 : 1
(ii)	The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2014-15 are as under There was no increase of any one of the above named directors in the financial year ended 31.3.2015	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	14 %
(iv)	Number of permanent employees on the rolls of the company:	90
(v)	Explanation on the relationship between average increase in remuneration and the company performance	Normal Yearly increment to staff

(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Turnover has increased from Rs. 14021 lacs(2013-14) to Rs. 20250 lacs(2014-15)
(vii)	variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Shares are not traded
(viii)	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;	Not applicable in the view of comments given vide serial no. 2
(ix)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	S PRASAD REDDY - 33 Lacs S SHARAT REDDY - 42 Lacs  Performance of the company : Turnover has increased from Rs. 14021 lacs(2013-14) to Rs. 20250 lacs(2014-15)
(x)	Key parameter for any variable component of remuneration availed by the Directors	Not Applicable
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	Not Applicable
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

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

**ECONOMY AND INDUSTRIAL SCENARIO**

The fiscal year 2014-15 the Indian economy changed its position as one of the fastest growing economies due to measures taken to control inflation, reversal of monetary policy, decline in price of oil and other commodities as well as initial set of reforms by the present government. The GDP growth was estimated at 7.8% in the year 2014-15 as compared to 6.6% in the previous year.

Against this backdrop, Your company was able to keep up its momentum of growth and grew by about 44.42% in 2014-15, the growth of 134.13% achieved in the previous year, as compared to respective previous years.

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

**STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS**

The strength of your Company stems from the following factors:

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

The Company's weakness mainly arises from:

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

However, great opportunities are foreseen in view of:

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

The threats to be overcome are:

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

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

**PRODUCT-WISE PERFORMANCE : Amount in Rs.**

S.NO	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Shrimp Export	1,086,683,345	599,314,675
2	Shrimp Local	38,09,643	3,482,634
3	Sale of Feed	740,471,515	572,735,085
4	Sale of Seed	90,919,030	169,616,100
	<b>Total</b>	<b>1,921,883,533</b>	<b>1,345,148,494</b>

**EXPORTS:**

The Exports has increased by 89% during the year compared to previous year.

**CAPITAL EXPENDITURE AND EXPANSION PLANS :**

Additions to the Fixed Assets amounting to Rs.10, 49, 62,704/- .

**OUTLOOK**

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

**INTERNAL CONTROLS**

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

**ENVIRONMENT REPORT**

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

**CAUTIONARY STATEMENT**

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

## ANNEXURE VII

### REPORT ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

#### MANDATORY REQUIREMENTS:

##### i. COMPANY'S PHILOSOPHY:

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

##### ii. BOARD OF DIRECTORS

###### a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:

The present strength of the Board of Directors is Six (6) and its composition is as follows:

**Managing / Promoter Directors** **3**

**Non-Executive Independent Directors** **3**

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

###### b. BOARD MEETINGS AND RELATED INFORMATION :

Nine meetings of the Board of Directors were held during the year viz., on 30th April 2014, 26th June 2014, 30th June 2014, 31st July 2014, 5th September, 2014, 31st October 2014, 23rd January 2015, 31st January 2015 and 30th March 2015.

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

Directors	No of Board meetings attended during the year	Last AGM(held on 30.09.2014) 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	9	Yes	Nil	NIL
Mr. S. Sharat Reddy	9	Yes	Nil	NIL
Mrs. S. Charita Reddy	-	N/A	Nil	NIL
Non-Executive Independent Directors				
Mr. Veerraju Manda	9	Yes	NIL	NIL
Mr. M.B.R. Prasad	9	No	2	NIL
Mr. T. Valsaraj	5	No	6	NIL

### iii. COMMITTEES OF THE BOARD

#### 1. AUDIT COMMITTEE

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

- (a) Mr. Veerraju Manda - Chairman
- (b) Mr. M.B.R Prasad
- (c) Mr. T.Valsaraj

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 draft 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 2014 - 15 five meetings of the Audit Committee were held viz., on 30th April 2014, 31st July 2014, 5th September 2014, 31st October 2014 and 31st January 2015 and attendance of the members of the audit Committee at these meetings is as follows:

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerraju Manda	5	5
Mr. M.B.R. Prasad	5	5
Mr. T. Valsaraj	5	5

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

- (a) Mr. T. Valsaraj - Chairman
- (b) Mr. M.B.R Prasad
- (c) Mr. Veerraju Manda

During the financial year 2014-15, Two Remuneration Committee/ Nomination and Remuneration committee meetings were held on 05.09.2014, 31.01.15 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. T. Valsaraj	2	2
Mr. M.B.R. Prasad	2	2
Mr. Veerraju Manda	2	2

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

Remuneration Policy:

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

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

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	33,00,000/-			33,00,000/-
Mr. S. Sharat Reddy	42,00,000/-			42,00,000/-

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

The company is not paying any Sitting Fee to the Non-Executive Directors.

## 3. SHARE TRANSFER-CUM-INVESTORS' GRIEVANCE COMMITTEE :

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

- (a) Mr. M.B.R Prasad - Chairman
- (b) Mr. T. Valsaraj

(c) Mr. Veerraju Manda

During the financial year ended on 31st March, 2015 the Share Transfer-cum-Investors' Grievance Committee met 6 times on 15.06.2014, 30.07.2014, 29.08.2014, 01.12.2014, 19.01.2015 and 16.02.2015.

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

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. M.B.R. Prasad	6	6
Mr. T. Valsaraj	6	6
Mr. Veerraju Manda	6	5

During the year the name of the Share Transfer-cum-investors' Grievance Committee is renamed as Shareholders' Relationship Committee which looks after both the shareholders relations and Share Transfers.

During the year the company has received 11 requisitions for transfer of shares and 3 requisitions for Change of Address and the company has effected all o them and there is no pending complaint at the end of the year

## IV. SHARE HOLDER INFORMATION

General Body Meeting

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

YEAR	DATE	TIME	VENUE
2012	29.09.2012	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2013	30.09.2013	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2014	30.09.2014	10.00 A.M	VENKANNAPELEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

No resolution was put through postal ballot during last year.

Special Resolutions passed in the previous 3 Annual General Meetings:

1. 2011-12 : YES

Pursuant to sections 269, 198, 309 and schedule XIII, re-appointment d of Mr. S. Prasad Reddy as Managing Director for a period of 2 years w.e.f 01.11.2011.

2. 2012-13: YES

Pursuant to Section 198,269, 309,310 and 311 read with Schedule XIII, Mr. S. Prasad Reddy be and is hereby re- appointed as Managing Director of the Company for a period of three years w.e.f: 01.04.2013



3. 2013-14 : YES

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

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

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

Procedure for postal Ballot : **Not Applicable**

**V. DISCLOSURES**

- 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.
- Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March 2015.
- 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.
- 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.
- 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](http://www.sharatindustries.com).
- The company has generally complied with the mandatory disclosure requirements under Clause 49 of the Listing Agreement executed with the stock exchanges..

**Means of communication**

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

**GENERAL SHAREHOLDER INFORMATION**

- Annual General Meeting  
Date & Time : Wednesday, 30th September 2015, 10.00. am.  
Venue : Venkannapalem Village, T.P.Gudur Mandal, Nellore Dist, A.P.

- Financial Year Calendar (2014-15) tentative : 1st April to 31st March of every year  
Financial reporting for the quarter ending : 31th July 2015  
30th June 2015  
Financial reporting for the quarter ending : 31st October 2015  
30th September, 2015  
Financial reporting for the quarter ending : 31st January 2015  
31st December, 2015  
Financial reporting for the quarter ending : 30th April 2016  
31st March, 2016
- Date of Book Closure : 27.09.2015 to 30.09.2015
- Listing of Stock Exchanges : Bombay Stock Exchange Ltd.  
The annual listing fees for the period 1st April 2015 to 31st March 2016 has been paid to Stock Exchange.
- Depository cum Share Transfer Registrars : Not appointed and at present all share transfer work being done in house by the company.
- Share Transfer System : All the shares are in physical mode only. Share transfer in physical form is ormallly effected with in a period of 15 days of receipt of the documents, if found in order. The share transfer committee approves all share transfers. Share certificates are dispatched by registered post / speed post.

**g. Shareholding Pattern as on March 31, 2015**

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Promoter and Promoter Group:			
a. Bodies Corporate	3	2155700	9.79
b. Directors & their relatives	383	9841800	44.71
Public Share Holding:			
I. Institutions:			
Financial Institutions/Banks	5	70000	0.32
II. Non Institutions:			
Bodies Corporate	104	707200	3.21
Individuals	36695	9237800	41.97
<b>Total</b>	<b>37190</b>	<b>22012500</b>	<b>100.00</b>

All the shares are held in Physical form only

h. Distribution of Shareholding as on March 31, 2015

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
0 - 500	34260	92.12	4752200	21.59
501-1000	1666	4.48	1366000	6.21
1001-2000	688	1.85	1025200	4.65
2001-3000	295	0.79	737700	3.35
30001-4000	91	0.24	332300	1.51
4001-5000	67	0.18	317300	1.44
5001-10000	73	0.20	525000	2.39
10001-above	50	0.13	12956700	58.86
<b>Total</b>	<b>37190</b>	<b>100.00</b>	<b>22012500</b>	<b>100.00</b>

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

**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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai  
Date: 5th September 2015

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

**Declaration - Code of Conduct**

All Board members and senior management personnel have, for the financial year ended on 31st March, 2015, affirmed compliance with the code of conduct laid down by the Board of Directors in terms of the clause 49 of the Listing Agreement entered with the Stock Exchanges.

BY THE ORDER OF BOARD OF DIRECTORS  
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPALEM  
DATE: 5th September 2015

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

**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 provisions of Clause 49 of the Listing Agreement with the Stock Exchanges:**

We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2015 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: VENKANNAPALEM  
DATE: 05.09.2015

S. PRASAD REDDY  
**CHAIRMAN & MANAGING DIRECTOR**

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

I hereby declare that:

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

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPALEM

DATE: 05.09.2015

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

## INDEPENDENT AUDITORS' REPORT

To The Members of

**SHARAT INDUSTRIES LIMITED**

### I. Report on the Financial Statements

We have audited the accompanying financial statements of SHARAT INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### III. Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of

such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### IV. Basis for Qualified Opinion

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

the absence of details we are unable to comment on the effect of such provision on the profits for the year, gratuity liability and net worth of the Company.

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

### V. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its Profit and its cash flows for the year ended on that date.

### V. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 35 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**P. ASHOK REDDY**  
Partner  
M. No. : 023202

Place: Nellore  
Date: 05.09.15

#### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF SHARAT INDUSTRIES LIMITED**

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Sharat Industries Limited ("the Company") for the year ended March 31, 2015)

- (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.
- (ii) In respect of inventories:
  - (a) The Management has conducted physical verification of inventory at reasonable intervals during the year.

- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted to companies, firms 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) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In respect of internal control system:
  - (a) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system of the Company in respect of these areas.
- (v) In respect of public deposits:
  - (a) 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 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:
  - (a) The Central Government of India has not prescribed for the Company the maintenance of cost records under section 148 (1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
  - (a) *The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth 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, 2015 for a period of more than six months from the date they became payable except interest and penalty on Service Tax relating to financial years from 2006-07 to 2009-10 amounting to Rs.14.04 Lakhs.*
  - (b) There are no dues of Provident Fund, Income Tax, Wealth Tax, VAT, Service Tax, as at March 31, 2015, which have not been deposited on account of a dispute except the following

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

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In respect of its losses:

(a) The Company, as adjusted after taking into the qualifications in the audit report to the extent of qualifications are quantified, does not have any accumulated losses as at March 31, 2015 and the Company has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) In respect of repayment of dues to banks, financial institutions and debentures holders:

(a) 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.
- (x) In respect of guarantees given for loans taken by others from banks or financial institutions:

(a) According to the information and explanations given to us, the Company has not given any guarantees for the loans taken by the others from the banks or financial institutions.
- (xi) In respect of utilization of term loans:

(a) The Company has obtained term loans during the year. Based on the information and explanations given to us by the Management, term loans were applied for the purpose for which the loans were obtained.
- (xii) In respect of frauds:

(a) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

P. ASHOK REDDY  
Partner  
M. No. : 023202

Place: Nellore  
Date: 05.09.15

SHARAT INDUSTRIES LIMITED				
BALANCE SHEET AS AT MARCH 31, 2015				
	Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
I	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Funds</b>			
	(a) Share Capital	2	22,01,25,000	22,01,25,000
	(b) Reserves and Surplus	3	23,13,54,391	20,57,00,886
			<b>45,14,79,391</b>	<b>42,58,25,886</b>
	<b>(2) Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	9,28,76,291	5,62,15,679
	(b) Deferred Tax Liability (Net)	5	1,33,15,541	(2,12,166)
	(c) Long-term Provisions	6	22,64,084	-
			<b>10,84,55,916</b>	<b>5,60,03,513</b>
	<b>(3) Current Liabilities</b>			
	(a) Short Term Borrowings	7	20,01,75,316	5,46,87,196
	(b) Trade Payables	8	22,87,80,489	15,81,93,357
	(c) Other Current Liabilities	9	65,33,005	17,05,203
	(d) Short-Term Provisions	10	1,24,98,055	1,09,48,687
			<b>44,79,86,865</b>	<b>22,55,34,443</b>
	<b>TOTAL</b>		<b>1,00,79,22,172</b>	<b>70,73,63,842</b>
II	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	33,71,48,447	28,96,77,918
	(ii) Capital Work in Progress	12	2,71,695	3,52,37,393
	(b) Long Term Loans and Advances	13	4,83,85,177	3,96,73,603
			<b>38,58,05,319</b>	<b>36,45,88,914</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	14	36,50,92,570	6,92,01,746
	(b) Trade Receivables	15	14,19,29,065	22,01,95,901
	(c) Cash and Cash Equivalents	16	8,82,51,222	2,26,94,728
	(d) Short Term Loans and Advances	17	2,68,43,996	3,06,82,553
			<b>62,21,16,853</b>	<b>34,27,74,928</b>
	<b>TOTAL</b>		<b>1,00,79,22,172</b>	<b>70,73,63,842</b>
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 38	-	-
The accompanying notes are integral part of the financial statements.				
As per our Report of even date				
for P. A. REDDY & Co., Chartered Accountants FRN: 007368S			On behalf of the Board	
P. ASHOK REDDY Partner M. No: 023202		S. Prasad Reddy Managing Director DIN : 00069094		S. Sharat Reddy Director DIN : 02929724
Place : Nellore Date : 05.09.2015		VC Ramakrishna General Manager-F&A, CFO		

SHARAT INDUSTRIES LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015				
	Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>I</b>	Revenue from Operations	18	2,02,50,09,444	1,40,21,00,343
<b>II</b>	Other Income	19	4,10,51,838	87,97,237
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>2,06,60,61,282</b>	<b>1,41,08,97,580</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of Materials Consumed	20	1,69,23,45,801	1,08,37,69,881
	Changes in Inventory	21	(21,74,58,773)	(2,90,04,884)
	Employee Benefits Expense	22	6,61,93,033	5,72,73,515
	Finance Costs	23	2,27,87,599	55,62,339
	Depreciation and Amortisation Expense	11	5,22,08,042	3,02,99,429
	Other Expenses	24	38,96,48,234	22,36,56,295
	<b>Total Expenses</b>		<b>2,00,57,23,937</b>	<b>1,37,15,56,575</b>
<b>V</b>	<b>Profit Before Exceptional items and Tax (III-IV)</b>		<b>6,03,37,345</b>	<b>3,93,41,005</b>
	Exceptional Items		2,11,56,133	-
<b>V</b>	<b>Profit Before Tax (III-IV)</b>		<b>3,91,81,212</b>	<b>3,93,41,005</b>
<b>VI</b>	Tax Expense			
	(1) Current Tax		79,09,850	80,10,074
	(2) Mat Credit Entitlement		(79,09,850)	(80,10,074)
	(3) Deferred Tax		1,35,27,707	1,36,68,136
<b>VII</b>	<b>Profit /(Loss) for the year (V-VI)</b>		<b>2,56,53,505</b>	<b>2,56,72,869</b>
	Earnings per Equity Share	25		
	Basic & Diluted		1.17	1.17
	Face Value of the Share		10.00	10.00
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 38		

The accompanying notes are integral part of the financial statements.

As per our Report of even date

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

On behalf of the Board

**P. ASHOK REDDY**  
Partner  
M. No: 023202

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

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

Place : Nellore  
Date : 05.09.2015

**VC Ramakrishna**  
General Manager-F&A, CFO

SHARAT INDUSTRIES LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015				
S.No	Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit / (Loss) Before Extraordinary Items and Tax		6,03,37,345	3,93,41,005
	Adjustments for:			
	Depreciation		5,22,08,042	3,02,99,429
	Finance Costs		2,27,87,599	55,62,339
	Gratuity		22,64,084	-
	Wealth Tax		83,620	28,610
	Profit on Sale of Vehicle		(70,000)	-
	Interest Income		(17,95,979)	(29,06,536)
	Creditors no Longer Payable		(2,58,94,740)	-
	Bad Debts		43,20,704	-
	<b>Operating Profit/(Loss) Before Working Capital Changes</b>		<b>11,42,40,675</b>	<b>7,23,24,847</b>
	<b>Changes in Working Capital:</b>			
	<b>Adjustment for (Increase) / Decrease in Operating Assets</b>			
	Inventories		-	-
	Trade Receivables		-	-
	Short term Loans and Advances		-	-
	<b>Adjustment for Increase / (Decrease) in Operating Liabilities</b>			
	Trade Payables		-	-
	Other Current Liabilities		-	-
	Long Term Provisions		-	-
	Short Term Provisions		-	-
	<b>Cash generated from operations</b>		<b>11,42,40,675</b>	<b>7,23,24,847</b>
	Cash outflow due to Exceptional Items		(1,58,72,000)	-
	<b>Cash generated from operations</b>		<b>9,83,68,675</b>	<b>7,23,24,847</b>
	Net Income Tax (Paid)/Refund		-	-
	<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A</b>		<b>9,83,68,675</b>	<b>7,23,24,847</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Capital Expenditure on Fixed Assets		(10,49,62,704)	(4,51,46,908)
	Decrease / (Increase) in Capital Work in Progress		-	-
	Proceeds from Sale of Fixed Assets		70,000	-
	Long Term Loans and Advances		-	-
	Interest Received		17,95,979	29,06,536
	<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B</b>		<b>(10,30,96,726)</b>	<b>(4,22,40,372)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds / (Repayment) from / of Long Term Borrowings		3,66,60,612	-
	Other Short term Borrowings		-	-
	Finance Costs		(2,27,87,599)	(55,62,339)
	<b>NET CASH FROM / (USED IN ) FINANCING ACTIVITIES - C</b>		<b>1,38,73,013</b>	<b>(55,62,339)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>91,44,963</b>	<b>2,45,22,136</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>2,26,94,728</b>	<b>5,67,34,399</b>
	<b>Cash and Cash Equivalents at the end of the year</b>		<b>8,82,51,222</b>	<b>2,26,94,728</b>
	<b>Reconciliation of Cash and Cash Equivalents with the Balance sheet</b>			
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)			
	<b>Cash and Cash Equivalents at the end of the year</b>			
	<b>Comprises:</b>			
	Cash on hand		14,69,354	1,85,429
	Balance with Banks		-	-
	- in Current Accounts		7,43,28,901	1,11,54,814
	- in Deposit Accounts		1,24,52,967	1,13,54,485
	<b>8,82,51,222</b>		<b>2,26,94,728</b>	
	(5,64,11,531.00)		5,85,61,807	

As Per our Report of even date

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

On behalf of the Board

**P. ASHOK REDDY**  
Partner  
M. No: 023202

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

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

Place : Nellore  
Date : 05.09.2015

**VC Ramakrishna**  
General Manager-F&A, CFO

**Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES:**

**a. Accounting Convention:**

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

**b. Revenue Recognition:**

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

**c. Fixed Assets and Depreciation:**

- i. Fixed Assets are valued at cost less accumulated depreciation. Cost includes freight, taxes and duties and other directly attributable costs of bringing the asset to its working condition for its intended use, net of CENVAT and VAT, wherever applicable.
- ii. Borrowing costs are capitalized as part of qualifying fixed assets.
- iii. Depreciation is provided on Fixed Assets at Straight Line Method based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013, on pro rata basis.
- iv. In compliance with the transitional provisions prescribed in Schedule II of the Companies Act, 2013, following adjustments have been made.
  - a. The WDV of assets whose useful life expired as on 01.04.2014 have been quantified and shown under Exceptional Items in Statement of Profit and Loss.
  - b. In respect of other assets, the W.D.V as on 01.04.2014 will be depreciated over the remaining useful life.

**d. Foreign Currency Transactions:**

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

**e. Current and Deferred Tax :**

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

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

**f. Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

**g. Inventories:**

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

**h. Retirement Benefits:**

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

**i. Impairment of Assets:**

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

- a) the provision for impairment loss, if any, required; or
  - b) the reversal, if any, required of impairment loss recognized in previous periods.
- Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined;
- a) in the case of an individual asset, at higher of the net selling price and the value in use;
  - b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

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



**SHARAT INDUSTRIES LIMITED**  
Notes forming part of the Financial Statements

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
<b>Share Capital</b>	<b>2</b>		
<b>Authorised :</b>			
30000000 (30000000) Equity Shares of Rs. 10/- each		30,00,00,000	30,00,00,000
2000000 (2000000) Redeemable Preference Shares of Rs. 100/- each		20,00,00,000	20,00,00,000
		<b>50,00,00,000</b>	<b>50,00,00,000</b>
<b>Issued, Subscribed and Paid up:</b>			
22012500 (22012500) Equity Shares of Rs. 10/- each fully paid up		22,01,25,000	22,01,25,000
		<b>22,01,25,000</b>	<b>22,01,25,000</b>

(a) All the Equity Shares carry equal rights and obligations including for dividend and with respect to voting rights.

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
<b>Equity Shares:</b>			
Number of Shares at the beginning of the year		22012500	22012500
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
Number of Shares at the end of the year		22012500	22012500

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

Name of Share holder	Note No.	As At March 31, 2015 No. of Shares - % held	As At March 31, 2014 No. of Shares - % held
S. Prasad Reddy		8814800 - 40.04	8814800 - 40.04

**Reserves and Surplus**

**Capital Reserve**

Opening Balance  
Add: Additions during the year  
Closing Balance

**Capital Subsidy**

Opening Balance  
Closing Balance

**Surplus/(Deficit) in Statement of Profit and Loss**

Opening Balance  
Add: Profit for the year  
Closing Balance

**Total ( A+B+C )**

**Long Term Borrowings :**

**(a) Term Loan**

Term Loan from Federal Bank (Secured)

**(b) Hire Purchase Loans**

**From Banks**

Secured

**From Others**

Secured

**(c) Other Loans and Advances**

Unsecured

**A. Nature of Security:**

1. Term Loan from Federal Bank is secured by the charge of Fixed Assets to be Procured. The Loan is repayable in 57 installments.

2. Hire Purchase Loans are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 30 to 36 monthly installments.

**SHARAT INDUSTRIES LIMITED**  
Notes forming part of the Financial Statements

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
<b>Deffered Tax Asset / Liability</b>	<b>5</b>		
Deferred Tax Asset			
On account of brought forward Losses		1,19,00,666	3,40,44,953
Deferred Tax Liability		(2,52,16,207)	(3,38,32,787)
On difference between book balance and tax balance of fixed assets			
<b>Net Deferred Tax Liability</b>		<b>1,33,15,541</b>	<b>(2,12,166)</b>
<b>Long-term Provisions</b>	<b>6</b>		
(a) Provision for employee benefits :			
(i) Provision for Gratuity		22,64,084	-
		<b>22,64,084</b>	<b>-</b>
<b>Short Term Borrowings</b>	<b>7</b>		
<b>Secured Loans from Federal Bank</b>			
Packing Credit Loan		14,99,99,809	5,46,72,247
Cash Credit		5,01,75,507	14,949
		<b>20,01,75,316</b>	<b>5,46,87,196</b>
<b>Trade Payables</b>	<b>8</b>		
<b>Acceptances</b>			
- For Supplies and Services		22,20,95,764	15,37,59,426
- For Expenses and Others		66,84,725	44,33,931
		<b>22,87,80,489</b>	<b>15,81,93,357</b>
<b>Other Current Liabilities</b>	<b>9</b>		
(a) Current Maturities of Long Term Debt		50,47,757	2,63,058
(b) Other Payables			
(i) Statutory Remittances		14,85,248	13,43,611
(ii) Advances from Customers		-	98,534
		<b>65,33,005</b>	<b>17,05,203</b>
<b>Short-Term Provisions</b>	<b>10</b>		
<b>Provision for others</b>			
(a) Provision for Taxes (Net of Advance Tax)		(1,68,847)	9,92,942
(b) Provision for Expenses		1,25,83,282	99,27,134
(c) Wealth Tax Payable		83,620	28,611
		<b>1,24,98,055</b>	<b>1,09,48,687</b>
<b>Capital Work in Progress :</b>	<b>12</b>		
Building		2,71,695	3,52,37,393
		<b>2,71,695</b>	<b>3,52,37,393</b>

**SHARAT INDUSTRIES LIMITED**  
Notes forming part of the Financial Statements

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
<b>Long Term Loans and Advances:</b>			
<b>(a) Security Deposits</b>	13		
Unsecured, considered good		77,90,259	70,88,759
Less: Provision for Doubtful Deposits		77,90,259	70,88,759
<b>(b) Mat Credit Entitlement</b>			
Unsecured, considered good	(b)	1,33,09,390	52,99,316
<b>(c) Loans and Advances</b>			
Unsecured, considered good		2,72,85,528	2,72,85,528
Less: Provision for Doubtful Loans and advances		2,72,85,528	2,72,85,528
<b>Total (a+b+c)</b>		<b>4,83,85,177</b>	<b>3,96,73,603</b>
<b>Inventories :</b>	14		
(As valued and certified by the Management)			
(i) Raw Materials		10,25,27,680	2,40,95,629
(ii) Finished Goods		26,25,64,890	4,51,06,117
		<b>36,50,92,570</b>	<b>6,92,01,746</b>
<b>Trade Receivables :</b>	15		
<b>Trade Receivables outstanding for a period exceeding six months from the date they were due for payment</b>			
Unsecured, Considered good		70,30,660	1,20,92,165
Less : Provision for Doubtful Trade Receivables	(A)	70,30,660	1,20,92,165
<b>Other Trade Receivables</b>			
Unsecured, considered good		13,48,98,405	20,81,03,736
Less : Provision for Doubtful Trade Receivables	(B)	13,48,98,405	20,81,03,736
<b>TOTAL (A+B)</b>		<b>14,19,29,065</b>	<b>22,01,95,901</b>
<b>Cash and Cash Equivalents :</b>	16		
(a)Cash on hand		14,69,354	1,85,429
(b)Balances with Banks:			
i) in Current Accounts		5,60,84,740	1,11,39,792
ii) in EEFC Accounts		1,82,44,161	15,022
iii) in Deposit Accounts		14,072	1,65,680
iv) in Earmarked Accounts		1,24,38,895	1,11,88,805
		<b>8,82,51,222</b>	<b>2,26,94,728</b>
<b>Short Term Loans and Advances :</b>	17		
(a) Loans and Advances to Employees		1,18,584	28,000
Unsecured, considered good		1,18,584	28,000
Less : Provision for Doubtful Advances			
(b) Prepaid Expenses		3,39,722	2,57,219
(c) Balances with Government Authorities		18,29,134	37,49,215
(d) MAT Credit Entitlement		79,09,850	80,10,074
(e) Others		1,66,46,707	1,86,38,046
		<b>2,68,43,996</b>	<b>3,06,82,553</b>

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

Note - 11 : Fixed Assets

Sl.No	Tangible Assets	Rate @ %	Gross Block			DEPRECIATION			NET BLOCK	
			As At April 01, 2014	Additions	Deletions	As At March 31, 2015	Upto March 31, 2014	For the year	Retained Earnings	Deletions
1	Land	-	3,75,09,372	-	-	3,75,09,372	-	-	-	-
2	Freehold Building Owned	3.34%	11,72,55,275	5,05,47,383	-	16,78,02,658	6,55,71,550	1,17,54,645	-	-
3	Plant and Equipment Owned	4.75%	28,17,01,310	2,54,37,555	4,60,65,604	26,10,73,261	14,57,93,850	3,29,90,847	47,02,020	4,60,65,604
4	Furniture & Fixtures Owned	6.33%	44,62,401	28,84,022	40,40,470	33,05,953	43,00,685	1,24,187	(1,82,969)	40,40,470
5	Vehicles Owned	9.50%	1,50,45,956	2,12,47,352	62,34,898	3,00,58,410	1,10,40,891	28,97,876	(31,14,054)	62,34,898
6	Office Equipment Owned	4.75%	32,44,894	5,92,860	23,55,065	14,82,689	19,76,344	4,05,330	4,64,598	23,55,065
7	Computers Owned	16.21%	9,86,562	6,15,246	3,68,522	12,33,286	6,37,138	3,58,565	(1,42,173)	3,68,522
8	Electrical Fixtures Owned	4.75%	2,77,17,137	2,61,455	1,64,51,170	1,15,27,422	1,65,19,538	12,41,915	35,56,712	1,64,51,170
9	Pond Constuction Owned	4.75%	19,94,02,250	33,76,831	-	20,27,79,081	15,78,73,798	20,75,993	-	-
10	Jetty Owned	4.75%	3,51,87,618	-	-	3,51,87,618	2,91,21,063	3,58,686	-	-
			72,25,12,775	10,49,62,704	7,55,15,729	75,19,59,751	43,28,34,857	5,22,08,042	52,84,133	7,55,15,729
			70,65,47,077	5,12,03,091	-	75,77,50,168	40,25,35,728	3,02,99,429	-	-
	Previous Year									

SHARAT INDUSTRIES LIMITED Notes forming part of the Financial Statements			
Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Revenue from Operations:</b>	<b>18</b>		
(a) Sale of Products		1,92,18,83,533	1,34,51,48,494
(b) Sale of Services		4,54,69,441	4,15,75,631
(c) Other Operating Revenues		5,76,56,470	1,53,76,218
		<b>2,02,50,09,444</b>	<b>1,40,21,00,343</b>
<b>Sale of Products:</b>			
Sale of Shrimp - Export		1,08,66,83,345	59,93,14,675
Sale of Feed		74,04,71,515	57,27,35,085
Sale of Seed		9,09,19,030	16,96,16,100
Sale of Raw Shrimp		38,09,643	34,82,634
		1,92,18,83,533	1,34,51,48,494
<b>Sale of Services:</b>			
Job Work Charges (ITC)		4,54,69,441	4,15,75,631
		4,54,69,441	4,15,75,631
<b>Other Operating Revenue:</b>			
Export Incentives		5,69,03,737	1,32,27,825
Sale of Scrap		7,52,733	21,48,393
		5,76,56,470	1,53,76,218
<b>Other Income :</b>	<b>19</b>		
(a) Interest Income			
Interest Income on:			
Bank Deposits		10,02,483	13,67,333
Others		7,93,496	15,39,203
(b) Net gain on Foreign Currency Transactions		1,32,77,789	58,77,486
(c) Other Non-Operating Income		2,59,64,740	13,215
(d) Income Tax Refund		13,330	-
		<b>4,10,51,838</b>	<b>87,97,237</b>
<b>Cost of Materials Consumed:</b>	<b>20</b>		
Consumption of Raw Materials and Packing Materials			
Opening Stock		2,40,95,629	2,24,16,970
Add: Purchases		1,77,07,77,852	1,08,54,48,540
		1,79,48,73,481	1,10,78,65,510
Less: Closing Stock		10,25,27,680	2,40,95,629
		<b>1,69,23,45,801</b>	<b>1,08,37,69,881</b>
<b>Changes in Inventory of finished goods:</b>	<b>21</b>		
<b>Inventories at the end of the year</b>			
Finished Goods - Frozen Shrimp		24,66,88,845	3,99,82,664
Finished Goods - Feed		1,58,76,045	51,23,453
		26,25,64,890	4,51,06,117
<b>Inventories at the beginning of the year</b>			
Finished Goods - Frozen Shrimp		3,99,82,664	1,47,63,273
Finished Goods - Feed		51,23,453	13,37,960
		4,51,06,117	1,61,01,233
		<b>(21,74,58,773)</b>	<b>(2,90,04,884)</b>

SHARAT INDUSTRIES LIMITED Notes forming part of the Financial Statements			
Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Employee Benefits Expense :</b>	<b>22</b>		
Salaries, wages and bonus		5,85,82,913	5,13,86,799
Staff Welfare and contribution to other Funds		76,10,120	58,86,717
		<b>6,61,93,033</b>	<b>5,72,73,515</b>
<b>Finance Costs :</b>	<b>23</b>		
Interest Expense on:			
(i) Interest		2,01,30,301	47,87,292
(ii) Other Borrowing Costs		26,57,298	7,75,047
		<b>2,27,87,599</b>	<b>55,62,339</b>
<b>Other Expenses</b>	<b>24</b>		
<b>Manufacturing Expenses</b>			
Power & Fuel		8,46,97,602	6,24,83,877
Repairs & Maintenance			
- Buildings		3,26,444	12,52,798
- Plant & Machinery		25,98,552	25,60,004
- Electricals		55,12,678	15,41,702
Other Manufacturing Expenses		11,55,42,373	5,61,72,425
	(a)	<b>20,86,77,649</b>	<b>12,40,10,806</b>
<b>Selling Expenses</b>			
Advertisement		12,02,933	3,68,828
Ocean freight and export expenses		6,06,36,391	2,05,53,047
Marketing Expenses		4,75,51,816	2,71,78,580
Turnover & Other Discounts		3,31,12,925	2,87,53,962
	(b)	<b>14,25,04,065</b>	<b>7,68,54,417</b>
<b>Other expenses</b>			
Audit Fees		-	-
For Statutory Audit		1,80,000	1,80,000
For Taxation purpose		2,00,000	1,80,000
Return preparation		75,000	60,000
For Other Services		1,54,938	39,141
Audit Expense		84,320	-
Bank Charges		9,82,089	3,06,735
Bad Debts		43,20,704	-
Consultancy Fees		35,95,659	27,01,446
Communication Expenses		12,60,092	8,68,079
General Expenses		27,98,264	37,65,134
Gratuity		22,64,084	-
Insurance		5,50,703	4,25,394
Legal, Statutory & Documentation Charges		2,36,712	10,12,000
Office Maintenance		8,87,729	8,25,981
Printing & Stationery		19,13,091	3,28,440
Registration & Renewals		13,21,214	7,09,912
Rates & Taxes		19,57,515	3,84,988
Wealth Tax		83,620	28,971
Security Charges		47,35,512	29,46,860
Office Rent		10,80,000	6,94,000
Travelling & Conveyance Expenses		60,56,680	46,46,606
Vehicles Maintenance		17,01,353	15,91,628
Service Tax		-	10,95,756
Sales Tax		20,27,240	-
	(c)	<b>3,84,66,519</b>	<b>2,27,91,071</b>
<b>Grand Total (a+b+c)</b>		<b>38,96,48,234</b>	<b>22,36,56,295</b>
<b>Earnings per Share</b>	<b>25</b>		
Profit / (Loss) After Tax attributable to Equity Shareholders		<b>2,56,53,505</b>	<b>2,56,72,868</b>
Weighted average number of equity shares		<b>22012500</b>	<b>22012500</b>
Basic & Diluted Earnings per Share		<b>1.17</b>	<b>1.17</b>
Face Value of the Share		<b>10.00</b>	<b>10.00</b>

**Note No. 26: Accounting Year:**

The current accounting year consists of 12 months from April 1, 2014 to March 31, 2015.

**Note No. 27: Taxes & Duties:**

- a) Income Tax: The assessments for and up to the assessment year 2012-2013 have been completed.

**Note No. 28: Secured Loans:**

The Company has obtained and extended the same Working Capital Limit of `30,00,00,000/- from THE FEDERAL BANK LIMITED, 61, Anna Salai, Chennai, against the hypothecation of Company's Fixed Assets and Current Assets including Stock.

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

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

**Note No. 30: Auditors' Remuneration:**

Particulars	Current Year	Previous Year
Audit Fees	1,80,000	1,80,000
Tax Audit	2,00,000	2,00,000
Tax Representation & Others	75,000	75,000
Service Tax	63,700	56,238

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

Foreign Exchange Inflow on account of Export of Sales US \$ 1,79,83,091.24 equivalent to `1,08,66,83,345/- (P.Y: US \$ 99,00,210 equivalent to ` 59,93,14,675/-)

**Outflow:**

Foreign Exchange Outflow on account of import of Capital Goods & Raw Materials US \$ 8,71,265.95 equivalent to `5,35,81,839/- (P.Y: US \$ 2,65,932.87 equivalent to ` 1,61,98,736/-)

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

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

Particulars				
<b>A. Deferred Tax Liability:</b>	<b>As per Books</b>		<b>As per I.T Act</b>	<b>Difference</b>
Gross Block as on 31.3.15 (Excluding Land)	71,44,50,379		25,27,90,693	46,16,59,685
Depreciation	41,48,11,305		3,08,71,468	38,39,39,837
	29,96,39,074		22,19,19,225	7,77,19,849
	Tax @30% on	7,77,19,849	2,33,15,955	
	Surcharge @5% on	2,33,15,955	11,65,798	
	Education Cess @3% on	2,44,81,753	7,34,454	
<b>Deferred Tax Liability (A)</b>				<b>2,52,16,207</b>
<b>B. Deferred Tax Assets:</b>				
Unabsorbed Losses under Income Tax Act				
AY 2003-04 Depreciation Loss		1,34,09,794		
AY 2004-05 Depreciation Loss		(37,63,784)		
AY 2005-06 Depreciation Loss		2,70,33,497		
		<b>3,66,79,507</b>		
	Tax @30% on	3,66,79,507	1,10,03,852	
	Surcharge @5% on	1,10,03,852	5,50,193	
	Education Cess @3% on	1,15,54,045	3,46,621	
<b>Deferred Tax Asset (B)</b>				<b>1,19,00,666</b>
<b>Deferred Tax Liability as on 31.03.2015</b>			<b>(B-A)</b>	<b>(1,33,15,541)</b>
<b>Deferred Tax Asset as on 31.03.2014</b>				<b>2,12,166</b>
<b>Increase in Deferred Tax Liability debited to Statement of Profit and Loss</b>				<b>1,35,27,707</b>

**Note No. 34: Contingent Liabilities:**

A. Claims against the Company not acknowledged as debts :

Sl. No.	Particulars	Current Year (` in Lakhs)	Previous Year (` in Lakhs)
i)	Claims on account of Contractual Obligations in connection with Construction at Site.	-	179.56
ii)	Customs Duty and Excise Duty	76.31	76.31
iii)	Service Tax	-	14.04

B. Bank Guarantees issued on behalf of the Company:

Sl. No.	Particulars	Current Year (` in Lakhs)	Previous Year (` in Lakhs)
i)	Oriental Bank of Commerce	1.50	1.50
ii)	Federal Bank	71.41	102.54
iii)	State Bank of Hyderabad	9.18	9.18



The Claim on account of Contractual Obligation was settled amicably out of the Court. Out of the sum of ` . 260 Lakhs paid to the party, a sum of ` . 101.28 Lakhs being the balance payable as per the original bill raised on the Company, has been capitalized to the respective Asset and the balance of ` . 158.72 Lakhs has been expensed to the Statement of Profit and Loss as an exceptional item.

**Note No. 35: Segment Reporting :**

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

**Note No. 36: Related Party Disclosures :**

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

Sl. No.	Name of the Related Party	Relationship
1	Sri S. Prasad Reddy	Chairman & Managing Director
2	S. Sharat Reddy	Whole-time Director

Key Management Personnel	
Sri S. Prasad Reddy	Chairman & Managing Director
Remuneration to Key Managerial Person	33,00,000/-
Remuneration to Whole-time Director	42,00,000/-

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

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

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

As per our report of even date

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

**On behalf of the Board**

**P. ASHOK REDDY**  
Partner  
M. No: 023202

**S. PRASAD REDDY**  
Chairman & Managing Director  
DIN : 00069094

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

Place: Nellore  
Date: 05.09.2015

VC RAMAKRISHNA KUMAR  
General Manager F & A, CFO

**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 Avanti Leathers Limited.

DP ID*		Folio No.	
--------	--	-----------	--

Client ID*		No. of Shares	
------------	--	---------------	--

\* Applicable for investors holding shares in electronic form

I hereby record my presence at the 25th Annual General Meeting of the company held on Wednesday, 30th day of September, 2015 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: VENKANNAPALEM 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	VENKANNAPALEM 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		
	of failing him	Signature	
2	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	
3	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 25th Annual  
General meeting of the Company, to be held on Wednesday, 30th day of September, 2015 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, Director who retires by rotation		
3. Re-appointment of Statutory Auditors		
4. Appointment of Mrs. S. Charita Reddy, as Women Director		
5. Reappointment of Mr. S. Prasad Reddy as Managing Director and fixing of remuneration		
6. Authorisation to Board of Directors to borrow money under section 180 of the CA, 2013		

Signed this .....day of .....2015  
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.**