

SHARAT INDUSTRIES LIMITED



28th Annual Report 2017-2018

BOARD OF DIRECTORS

- | | | |
|----|----------------------------|----------------------------|
| 1. | Mr. S. Prasad Reddy | Managing Director |
| 2. | Mr. Veeraju Manda | Independent Director |
| 3. | Mr. M.B.R. Prasad | Independent Director |
| 4. | Mr. S. Sharat Reddy | Whole Time Director (ED) |
| 5. | Mrs. Durga Thota | Woman Independent Director |
| | Mr. V.C. Ramakrishna Kumar | CFO |
| | Mr. Kshetramohan Hota | Company secretary |

BANKERS

THE FEDERAL BANK LIMITED

AUDITORS

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

INTERNAL AUDITORS

M/s Rao & Sharma,
Chartered Accountants

REGISTERED OFFICE & FARM

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

CORPORATE OFFICE

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

Web Site: www.sharatindustries.com

CONTENTS OF THE 28th ANNUAL REPORT 2017-2018

1. Notice to Shareholders	4-12
2. Directors' Report	13-33
3. Management Discussion and Analysis	34-35
4. Report on Corporate Governance	36 - 45
5. Independent Auditors' Report	46-53
6. Balance Sheet	54
7. Statement of Profit & Loss	55
8. Cash Flow Statement	56
9. Notes on Accounts	57-86
10. Attendance Slip	87
11. Form No.MGT-11 Proxy Form	88
12. Route Map	89

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 Eighth Annual General Meeting** of the Members of the Company will be held on **Saturday, the 29th September, 2018**, 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 Financial Statements of the Company for the year ended March 31, 2018 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.

SPECIAL BUSINESS

3. **REAPPOINTMENT AND PAYMENT OF REMUNERATION TO 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, 2018 on the following terms and conditions mentioned below.

(a) Salary : 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"

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S. PRASAD REDDY
MANAGING DIRECTOR

NOTES:

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

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2018 to 29th September 2018.(both days inclusive)
3. An explanatory statement pursuant to section 102(1) of the companies act, 2013 in respect of special business is annexed hereto.
4. Members are requested to immediately intimate any change in their address registered with the company.
5. The company's equity shares are listed with Bombay Stock Exchange Ltd.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable consolidation of their shareholdings in one folio.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Brief résumé of all Directors proposed to be appointed/reappointed; nature of their expertise in specific functional areas, Names of Companies in which they hold

Directorships as stipulated under Regulation 36(3) of the SEBI Listing Obligations and Disclosure Requirements Regulations, are annexed hereto. The concerned Directors have furnished the requisite declarations for their appointment/reappointment.

9. The Securities and exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their details to the company.
10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
11. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.sharatindustries.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
12. Voting through Electronic means:
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing regulations, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Twenty Eighth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL.
 - (ii) The voting period begins on 26-09-2018 at 9.00 a.m. and ends on 28-09-2018 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 22-09-2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label) In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password

confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section, or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement

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

Item No.3

At the Annual General Meeting held on 30th September 2015, pursuant to provisions of Sections 196 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), appointed Mr. S. Prasad Reddy (DIN: 00069094) as a Managing Director for a period of 3(Three) years with effect from 01.04.2015. Now the Board of Directors of the Company (the 'Board'), at its meeting held on 14th February, 2018 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.

The Board recommends that the resolution being item No.3 of the convening notice for his reappointment be passed

MEMORANDUM OF INTEREST:

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

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

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

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

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

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 based on given indicators: Not applicable
5. Export performance and net foreign exchange: The Company makes an export turnover of Rs. 1,00,24,88,955/- during the year.
6. Foreign Investments or collaborations, if any: Nil

II.

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> <td></td><td>2017-18</td><td>2016-17</td></tr> <tr> <td>Gross Revenue :</td><td>14875.02</td><td>16280.79</td></tr> <tr> <td>Total Expenditure :</td><td>14720.93</td><td>16023.73</td></tr> <tr> <td>Financial Expenses :</td><td>440.27</td><td>469.91</td></tr> <tr> <td>Operating Profit :</td><td>391.81</td><td>393.41</td></tr> </table>		2017-18	2016-17	Gross Revenue :	14875.02	16280.79	Total Expenditure :	14720.93	16023.73	Financial Expenses :	440.27	469.91	Operating Profit :	391.81	393.41
	2017-18	2016-17															
Gross Revenue :	14875.02	16280.79															
Total Expenditure :	14720.93	16023.73															
Financial Expenses :	440.27	469.91															
Operating Profit :	391.81	393.41															
5.	Foreign Investments or collaborators, If any	Nil															

II. Information about the Appointee:

1. 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.
2. 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 and in the last three years his salary per month was Rs.6,00,000/- Rs.6,50,000 and Rs.7,00,000/-
3. Recognition or awards : Nil
4. 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.
5. Remuneration proposed: Rs. 7, 00,000 per month.
6. 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.
7. 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 is fellow director.

III. Other Information:

1. Reasons for loss or inadequate profit: 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 it 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 2017-2018.

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 3 of the Notice.

(ANNEXURE TO NOTICE DATED AUGUST 14, 2018)

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FOR
THCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Particulars	Mr. S. Sharat Reddy
DIN	02929724
Date of Birth	10/07/1989
Date of Appointment	31/01/2013
Qualifications & Expertise	Post Graduate in Industrial Engineering and Operations Research Technical Capabilities for developing Systems to implement the traceability which is essential for export markets.
Directorship / Shares held in other Public Companies	Nil
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil
Number of shares held in the Company	24,63,800

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S. PRASAD REDDY
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members of Sharat Industries Limited,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2018

1. FINANCIAL HIGHLIGHTS

Particulars	Year ending 31.03.2018 (Rs.in lakhs)	Year ending 31.03.2017 (Rs.in lakhs)
Total Turnover	14,875.02	16,280.79
Profit before Depreciation and Interest	862.33	995.28
Less: Interest - finance cost	440.27	469.91
Depreciation	267.97	268.31
Profit Before Exceptional items and Tax	154.09	257.06
Exceptional items	-	-
Provision for Tax	46.75	88.30
Profit after Tax	107.34	168.76
Other comprehensive income net of tax	6.39	8.41
Total comprehensive income for the year	113.73	177.17

Implementation of Ind AS

The Ministry of Corporate Affairs (MCA) vide its notification dated 14th February 2015 notified the Indian Accounting Standard (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act 2013, read with Rule 7 of the Companies. (Accounting) Rules 2014, with a transition date of 1st

April 2016. The Ind AS is applied to the Company for the first time for the financial year ended 31st March 2018.

The reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note 38 of the Notes on Accounts in the Financial Statement.

2. **SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS :** The turnover of the company for the year ended 31st March, 2018 was Rs.14773.82 lakhs against Rs.15,864.99 lakhs in the previous year. During the year the company made sales of Rs. 13701.04 lakhs against Rs.14,665.71 lakhs in the previous year, Job work receipts of Rs. 181.01 lakhs against Rs. 57.71 lakhs in the previous year and during the year the company has made an operating profit before tax of Rs.154.09 lakhs against Rs. 257.06 lakhs in the previous year.

During the year, the company's sales is decreased by 6.58% and Job work Sales is increased by 213.66% 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 2018, the issued, subscribed and paid up capital of your company stood at Rs.22,01,25,000/- comprising of 2,20,12,500 equity shares of Rs.10/-each.

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

6. **RESERVES , IF ANY**

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

7. **LISTING OF SHARES :**

The equity shares of the Company have been listed on the Bombay Stock Exchange at Mumbai. The company has to pay Annual Listing Fees due to the Bombay Stock Exchange for the year 2018-2019.

The Bombay Stock exchange suspended the trading of Company's Shares and the company has obtained in principle approval from the BSE and the company is making efforts to comply with the requirements to revoke the suspension of trading. Your Company established connectivity with Central Depository Services (India) Limited (CDSL).

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 place 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

M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No: 0098055), were appointed by Share holders in the Annual General Meeting for a period of 5 years from the conclusion of 27th Annual general Meeting to the conclusion of 32nd Annual General Meeting.

16. AUDITORS' REPORT, OBSERVATIONS AND REPLIES

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

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

18. DECLARATION FROM INDEPENDENT DIRECTORS

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

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively
20. **MEETINGS:** A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 5 (Five) Board Meetings and 4 (Four) Audit Committee Meetings, 8 (Eight) Share holders' grievances and Share transfer committee meetings, 2(Two) Nomination & Remuneration committee meeting and 1(One) Independent Director's meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
21. **AUDIT COMMITTEE :**
The Audit Committee of the Board consists of Independent Directors namely Mrs. Durga Thota, Chairman, Mr. Veerraju Manda and Mr. M.B.R. Prasad as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.
22. **VIGIL MECHANISM :**
In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sharatindustries.com.
23. **RISK MANAGEMENT:**
The Company has policy for identifying risk and established controls to effectively manage the risk. Further the Company has laid down various steps to mitigate the identified risk.
24. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**
The details of conservation of energy; technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

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

b) Technology absorption**N A**

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

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was Rs. 1,09,71,170/- and the total foreign exchange earned was Rs. 1,00,24,88,955/-.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

26. CORPORATE GOVERNANCE

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

27. DEPOSITS

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

28. PARTICULARS OF EMPLOYEES :

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

29. MANAGERIAL REMUNERATION

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

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

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

DETAILS OF INVESTMENTS:-

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

DETAILS OF GUARANTEE / SECURITY PROVIDED :

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

31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

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

32. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Sri. D.S. Venkata Narasimhan, Company secretaries and report given by them is annexed with the report as Annexure -I. With reference to the observations made, we state that The unintended delays in filings were due to over sight and Technical reasons.

33. INTERNAL AUDIT

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

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

36. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT 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.

37. MECHANISM FOR BOARD EVALUATION

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

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

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

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed the performance of Non-Independent Directors, Chairman and the quality, quantity and timelines of flow of information between the Company management and Board.

38. **PERSONNEL:**

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

39. **ACKNOWLEDGEMENTS:**

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

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM

S.SHARAT REDDY

S.PRASAD REDDY

DATE: 14th August 2018

DIRECTOR

MANAGING DIRECTOR

DIN: 02929724

DIN:00069094

ANNEXURE-I

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018**

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

To
The Members,
SHARAT INDUSTRIES LIMITED
Venkannapalem Village - 524002

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

Based on my verification of the SHARAT INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHARAT INDUSTRIES LIMITED for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee 4. Stock Purchase Scheme) Guidelines, 1999;

5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
7. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
8. Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015
 - ♦ The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take over) Regulations, 2013
 - ♦ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - ♦ The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (VI) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- (VII) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;
- (VIII) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- (IX) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (X) Income Tax Act, 1961 and rules made there under;
- (XI) Service Tax Act, 1994 and Goods and Services Tax Act, 2017 and rules made there under;

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under section 118 (10) of the Companies Act, 2013 (Not in vogue during the period under review).
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

I Further Report That

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

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

Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. there were no dissenting views.

I Further Report

1. There were delays in filing MCA Forms
2. BSE vide their letter dated 25th April 2018 given in principle approval for revocation of suspension in trading of Equity Shares by payment of re- instatement Fees.
3. CDSL vide their letter dated 15th February 2018 given approval to act as Depository.
4. The company has appointed M/s. Cameo Corporate Services Limited as STA.

OTHER SPECIFIC LAWS:

- i) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
- ii) Water (Prevention and Control of Pollution) Act, 1974;
- iii) Water (Prevention and Control of Pollution) Cess Act, 1977;
- iv) Environment (Protection) Act, 1986;
- v) Air (Prevention and Control of Pollution) Act, 1981;
- vi) Sexual Harassment of Women at work place(prevention, Prohibition and Redressal) Act, 2013

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

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

Place : Chennai
Date: 14th August, 2018

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

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

ANNEXURE

To
The Members
SHARAT INDUSTRIES LIMITED
Venkannapalem Village-524002

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

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

Place : Chennai
Date: 14th August, 2018

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

ANNEXURE-II

FORM NO. MGT 9

*Extract of Annual Return as on financial year ended on 31.03. 2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.*

I. I. REGISTRATION & OTHER DETAILS:

i)	CIN:	L05005AP1990PLC011276							
	Registration Date [DD/MM/YYYY]	07/05/1990							
	Name of the Company	Sharat Industries Limited							
ii)	Category of the Company	Company limited by shares							
iii)	Sub Category of the Company	Non-Govt company							
iv)	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes <table border="1"> <thead> <tr> <th>Sl No.</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bombay Stock Exchange</td> <td>BSE</td> </tr> </tbody> </table>		Sl No.	Stock Exchange Name	Code	1	Bombay Stock Exchange	BSE
Sl No.	Stock Exchange Name	Code							
1	Bombay Stock Exchange	BSE							
v)	AGM details-	30/09/2017 at 10:00 A.M. at the Registered Office of the Company Situated at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.							
	Whether extension of AGM was granted - Yes / No. (If yes, provide reference number , date of approval letter and the period up to which extension granted)	No							
	If Annual General Meeting was not held, specify the reasons for not holding the same	Not Applicable							
vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:								
	Company Name	Sharat Industries Limited							
	Address	Venkannapalem Village, T.P. Gudur Mandal,							
	Town / City	Nellore District							
	State	Andhra Pradesh							
	Pin Code:	524 002							
	Country Name :	INDIA							
	Country Code	-							
	Telephone (With STD Area Code Number)	0861-2389155							
	Fax Number :	-							
	Email Address	Sharatpremium@gmail.com							
	Website	www.sharatindustries.com							

Name of the Police Station having jurisdiction where the registered office is situated	T.P. Gudur Police Station T.P. Gudur, Nellore Dist, Andhra Pradesh,
Address for correspondence, if different from address of registered office:	
Vii) Name and Address of Registrar & Transfer Agents (RTA)	
Registrar & Transfer Agents (RTA):-	CAMEO CORPORATE SERVICES LIMITED
Address	SUBRAMANIAN BUILDING, NO.1 CLUB HOUSE ROAD
Town / City	CHENNAI
State	TAMIL NADU
Pin Code	600002
Telephone (With STD Area Code Number)	91-44-28460390
Fax Number	
Email Address	priya@cameoindia.com

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

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

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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	11549400	11549400	52.47	0	11849600	11849600	53.83	1.36
b) Central Govt.	0	0	0	0	0	0	0	0	NIL
c) State Govt(s)									
d) Bodies Corp.	0	100	100	0	0	100	100	0	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total	0	11549500	11549500	52.46	0	11849700	11849700	53.83	1.36
(A)(1):-									
(2) Foreign									
a) Individuals(Non-Resident Individuals/Foreign Individuals)	0	448000	448000	2.04		448000	448000	2.04	NIL
b) Bodies Corporate	0	0	0	0	0	0	0	0	NIL
c) Institutions	0	0	0	0	0	0	0	0	NIL
d) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total	0								
(A)(2):-									
Total shareholding of Promoter (A)	0	11997500	11997500	54.50	0	12297700	12297700	55.87	NIL
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	70000	70000	0.32	0	70000	70000	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

g) Fils	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	70000	70000	0.32	0	70000	70000	0.32	0
									0
2. Non- Institutions									0
a) Bodies Corp.	0	707200	707200	3.21	0	707200	707200	3.21	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	7833100	7833100	35.58	0	7723300	7723300	35.09	-0.50
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1052700	1052700	4.78	0	862300	862300	3.92	-0.86
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	352000	352000	1.59	0	352000	352000	1.59	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
Sub-total (B)(2):-	0	9945000	9945000	45.18		9644800	9644800	43.82	-1.36
Total Public Shareholding (B)=(B)(1)+ (B)(2)		10015000	10015000	45.50		9714800	9714800	44.13	-1.36
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	22012500	22012500	100	0	22012500	22012500	100	0

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1)	S. Prasad Reddy	88,14,800	40.04	0	88,14,800	40.04	0	0
2)	S. Devaki	1,39,100	0.63	0	1,39,100	0.63	0	0
3)	S. Charita Reddy	8,000	0.04	0	8,000	0.04	0	0
4)	S. Sharat Reddy	21,63,600	9.83	0	24,63,800	11.19	0	1.36
5)	Other share holders	8,72,000	3.97	0	8,72,000	3.97	0	0.01
	TOTAL	11997500	54.51	0	12297700	55.87	0	1.37

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11997500	54.50		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	300200	1.36		
	At the end of the year			12297700	55.87

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

Sl.No	Name	Share holding at the beginning of the year 01.04.17		Date	INC/ DEC	Reason	Cumulative shareholding during the year (01.4.17 to 31.3.18)	
		No of shares	%				No of shares	%
1.	Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
2.	Gundala Viswanatha Reddy	1,57,900	0.72		-157900	Transfer		
3.	Sistavarapu Ramakrishna	1,42,300	0.65		-142900	Transfer	1,17,300	0.53
4.	Madhusudan V Pulijal	1,17,300	0.53				1,10,700	0.50
5.	Venkataratnam Kottapalli	1,10,700	0.50				1,02,100	0.46
6.	Ajayya Gulati	1,02,100	0.46				75,000	0.34
7.	G. Prashanth Reddy	75,000	0.34				75,000	0.34
8.	G. Neel Reddy	75,000	0.34				74,700	0.34
9.	Ashok N Patel	74,700	0.34				66,200	0.30
10.	Suashish Finance Ltd	66,200	0.30					

E) Shareholding of Directors and Key Managerial Personnel :

A. Key Managerial Personnel :

Sl.No	Name	Share holding at the beginning of the year 01.04.17	Increase	Reason	Cumulative shareholding during the year (01.4.17 to 31.3.18)
1	S. Prasad Reddy	8814800 40.04%	-	Nil	8814800 40.04%
2	S. Sharat Reddy	2163600 9.83%	-	Nil	2463800 11.19%

B. Directors :

Sl.No	Name	Share holding at the beginning of the year 01.04.17	Increase	Reason	Cumulative shareholding during the year (01.4.17 to 31.3.18)
-	-	-	-	-	-

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

		31st March 2017 Equity Shares	31st March 2018 Equity Shares
1	S. Prasad Reddy	88,14,800 Shares 40.04%	88,14,800 Shares 40.04%
2	S. Sharat Reddy	21,63,600 Shares 9.83%	24,63,800 Shares 11.19%

V) INDEBTEDNESS :-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,21,72,365	5,22,97,910	-	35,44,70,275
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	30,21,72,365	5,22,97,910	-	-
Change in Indebtedness during the financial year (Increase / Decrease)	7,24,18,477	-	-	7,24,18,477
Indebtedness at the end of the financial year				
i) Principal Amount	37,45,90,842	5,22,97,910	-	42,68,88,752
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	37,45,90,842	5,22,97,910	-	42,68,88,752

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		S. Prasad Reddy MD	S. Sharat Reddy WD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	48,00,000	1,20,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)	72,00,000	48,00,000	1,20,00,000
	Ceiling as per the Act	84,00,000	84,00,000	1,68,00,000

B. REMUNERATION TO OTHER DIRECTORS : NIL

SN.	Name of Director	Fee for attending Board / Committee Meetings	Commission	Others	Total
1	Veerraju Manda	57,000	-	-	57,000
2	M.B.R. Prasad	45,000	-	-	45,000
3	Durga Thota	61,000	-	-	61,000
	Total	1,63,000			1,63,000

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

SN.	Particulars of Remuneration	Key Managerial Prsonnel		Total Amount
		Kshetramohan Hota Company Secretary		
1	Gross salary	3,00,000		3,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S.SHARAT REDDY
DIRECTOR
DIN: 02929724

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

ANNEXURE-III

Form No. AOC-2

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

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

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

- 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
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Sl.No	Name of the related party and nature of relationship	Nature of contract/agreement / transaction	Duration of the contract	Salient terms of the contract	Date of approval by the Board	Amount paid as advances, if any
01	S. Prasad Reddy, Managing Director	Lease of Ponds	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	30/05/2018	Nil
02	S. Devaki, Wife of Managing Director	Lease of office premises	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	30/05/2018	Nil

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
DATE : 14th August 2018

S.SHARAT REDDY
DIRECTOR
DIN: 02929724

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

ANNEXURE - IV

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

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

ANNEXURE - V

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

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Directors	Ratio to median remuneration
		S PRASAD REDDY	47:1
		S SHARAT REDDY	27:1
(ii)	Percentage Increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year are as under	There was an increase in the managerial remuneration for the Financial Year 2017-2018 for Mr. S. Sharat Reddy from Rs.3.50 Lakhs per month to Rs.4.00 Lakhs per month which is amounting to 14.29%	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2017-18	12.00%	
(iv)	Number of permanent employees on the rolls of the company;	110 Employees	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The increase made in average salaries of employees other than the managerial personnel in the current financial year was 12.00%.	
		There has been increase in the managerial remuneration for the Financial Year 2017-18 for Mr. Sharat Reddy from Rs.3.50 Lakhs per month to Rs.4.00 Lakhs per month.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and Other Employees	

ANNEXURE-VI TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY AND INDUSTRIAL SCENARIO

The fiscal year 2017-18 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 7.36% in the year 2017-18 as compared to 7.1% in the previous year.

Indian shrimp production is estimated to increase by 10% in 2018. Indian shrimp exports to the US rose by 39% to touch 2,14,400 tonne in 2017 and the demand is expected to remain robust. The decrease in the anti-dumping tariff on Indian shrimp and its increased market acceptance led to a significant increase in shrimp supply from India. According to trade sources, Indian aquaculture production is estimated to touch a record 7 lakh tonne during the current fiscal and reach 1 million tonne by 2020.

Shrimp Continues to be backbone of Indian seafood exports and accounted for 41% in volume terms of total seafood exports from country as against 38% of previous year.

Total Shrimp exports were around 5.66 Lakhs MT in the year 2017-2018 as compared to 4.34 Lakhs MT in 2016-2017 in volume terms, the shrimp exports were Rs.30,868 Crores as against Rs.24,711 Crores in 2016-2017.

Against this backdrop, Your company's performance come down by about 15.00% in 2017-18, the negative growth of 15.00% incurred in the previous year, as compared to respective previous years.

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

STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS

The strength of your Company stems from the following factors:

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

The Company's weakness mainly arises from:

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

However, great opportunities are foreseen in view of:

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

The threats to be overcome are:

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

PERFORMANCE ANALYSIS HIGHLIGHTS AS COMPARED TO PREVIOUS YEAR

PRODUCT-WISE PERFORMANCE :

S.NO	PARTICULARS	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
1	Shrimp Export	1,00,24,88,955	1,01,89,30,781
2	Shrimp Local	11,30,04,743	3,25,15,810
3	Sale of Feed	26,61,03,474	43,64,05,630
4	Sale of Seed	-	15,12,100
5	Sale of Chemicals	9,00,250	23,72,500
	Total	1,38,24,97,422	1,49,17,36,821

EXPORTS:

The Exports has decreased by 1.61% during the year compared to previous year.

CAPITAL EXPENDITURE AND EXPANSION PLANS :

Additions to the Fixed Assets amounting to Rs.3, 95, 91,072/- .

OUTLOOK

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

INTERNAL CONTROLS

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

ENVIRONMENT REPORT

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

CAUTIONARY STATEMENT

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

**ANNEXURE VII
REPORT ON CORPORATE GOVERNANCE**

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

MANDATORY REQUIREMENTS:**i. COMPANY'S PHILOSOPHY:**

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

ii. BOARD OF DIRECTORS**a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:**

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

Managing / Promoter Directors 2

Non-Executive Independent Directors 3

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

b. BOARD MEETINGS AND RELATED INFORMATION :

Five (5) meetings of the Board of Directors were held during the year viz., on 30th May 2017, 14th August 2017, 20th September 2017, 14th November 2017 and 14th February 2018.

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 30.09.2017) Attended	Directorships Held in Other Companies	No of other Committees (other than this Company) in which Chairman / Members
Executive Promoter Directors(MD & ED)				
Mr. S. Prasad Reddy	5	Yes	NIL	NIL
Mr. S. Sharat Reddy	5	Yes	NIL	NIL
Non-Executive Independent Directors				
Mr. Veerajulu Manda	4	No	NIL	NIL
Mr. M.B.R. Prasad	3	No	2	NIL
Mrs. Durga Thota	5	Yes	1	NIL

iii. COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

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

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

The terms of reference of the Committee broadly comprise:

- (a) Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible and more particularly :
 - a. To select and establish accounting policies and changes if any in accounting policies and procedures

- b. To Answer Qualifications if any given in the 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 2017-18, Four (4) meetings of the Audit Committee were held viz., on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018 and attendance of the members of the audit Committee at these meetings is as follows :

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mrs. Durga Thota	4	4
Mr. Veerraju Manda	4	4
Mr. M.B.R. Prasad	4	3

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

2. REMUNERATION COMMITTEE/NOMINATION AND REMUNERATION COMMITTEE :

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

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

During the financial year 2017-18, Two (2) Nomination and Remuneration committee meetings were held on 14.08.2017 and 14.02.2018 and attendance of the members of the Remuneration Committee at the meeting is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. M.B.R. Prasad	2	2
Mr. Veerraju Manda	2	2
Mrs. Durga Thota	2	2

Remuneration Policy:

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

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

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	72,00,000/-			72,00,000/-
Mr. S. Sharat Reddy	48,00,000/-			48,00,000/-

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 Wholtime Executive Director is for a period of three years from the date of appointment, being promoter Directors no service contract has been stipulated for them.

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

3. SHAREHOLDERS' RELATIONSHIP COMMITTEE:

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

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

During the financial year ended on 31st March, 2018 the Shareholder's Relationship Committee met Eight (8) times on 02.05.2017, 28.06.2017, 09.08.2017, 04.12.2017, 25.01.2018, 14.02.2018, 27.02.2018 and 07.03.2018 and

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

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerraju Manda	8	7
Mr. M.B.R Prasad	8	5
Mrs. Durga Thota	8	6

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

4. INDEPENDENT DIRECTOR'S MEETING :

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

During the year the company has received 19 requisitions for transfer / transmission of shares and 10 requisitions for Change of Address etc. and the company has effected 14 requisitions for transfer/ transmission of shares and 10 requisitions for change of address. 5 requisitions for transfer and transmission were rejected due to mismatch of signatures, non submission of Pan card etc. and there is no pending complaint at the end of the year

IV.Secretarial Standards issued by ICSI

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

V. SHARE HOLDER INFORMATION

General Body Meeting

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

YEAR	DATE	TIME	VENUE
2015	30.09.2015	10.00 A.M	VENKANNA PALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2016	30.09.2016	10.00 A.M	VENKANNA PALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2017	28.09.2017	10.00 A.M	VENKANNA PALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

Special Resolutions passed in the previous 3 Annual General Meetings:

1. 2014-15 : YES

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

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

2. 2015-16 : NO

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

3. 2016-17 : YES

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

Whether any Special Resolution passed last year through postal ballot- details of voting pattern:

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

Procedure for postal Ballot : **Not Applicable**

VI. DISCLOSURES

- a. The company has followed the accounting standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- b. Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March 2018.
- c. The Board is of the bonafide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors, or Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- d. During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- e. In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sharatindustries.com.
- f. The company has generally complied with the mandatory disclosure requirements under Clause 49 of the Listing Agreement executed with the stock exchanges and SEBI LODR Regulations 2015.

Means of communication

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

GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date & Time

: Saturday, 29th September 2018, 10.00. am.

Venue

: Venkannapalem Village,
T.P.Gudur Mandal, Nellore Dist, A.P.

- b. Financial Year Calendar (2018-19) tentative : 1st April to 31st March of every year
Financial reporting for the quarter ending 30th June 2018 : 14th August 2018
Financial reporting for the quarter ending 30th September, 2018 : 14th November 2018
Financial reporting for the quarter ending 31st December, 2018 : 14th February 2019
Financial reporting for the quarter ending 31st March, 2019 Audited : 30th May 2019
- c. Date of Book Closure : 23.09.2018 to 29.09.2018
- d. Listing of Stock Exchanges : Bombay Stock Exchange Ltd.
The annual listing fees for the period 1st April 2017 to 31st March 2018 has been paid to Stock Exchange.
- d. Depository cum Share Transfer Registrars : M/s. Cameo Corporate Services Private Limited,
'Subramanian Building', No.1, Club House Road, Chennai - 600 002
- e. Share Transfer System : All the shares are in physical mode only. Share Transfer in physical form is normally effected with in a period of 15 days of receipt of the documents, if found in order. The share transfer committee approves all share transfers. Share certificates are dispatched by registered post/ speed post.

g. Shareholding Pattern as on March 31, 2018

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Promoter and Promoter Group:			
a. Bodies Corporate	1	100	-
b. Directors & their relatives	383	12297600	55.87
Public Share Holding:			
I. Institutions:			
Financial Institutions/Banks	5	70000	0.32
II. Non Institutions:			
Bodies Corporate	102	407000	1.85
Individuals	36540	9237800	41.96
Total	37031	22012500	100.00

All the shares are held in Physical form only

h. Distribution of Shareholding as on March 31, 2018

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
0 - 500	34116	92.13	4730000	21.49
501-1000	1654	4.47	1357300	6.17
1001-2000	682	1.84	1015900	4.62
2001-3000	295	0.80	736700	3.35
3001-4000	92	0.25	335700	1.53
4001-5000	70	0.19	331200	1.50
5001-10000	72	0.19	516600	2.35
10001-above	50	0.14	12989100	59.01
Total	37031	100.00	22012500	100.00

- i. Dematerialization of shares and liquidity : The Company's shares are yet to be dematerialized.
- j. International Securities Identification Number (ISIN) : INE220Z01013
- k. Plant Locations : Farm : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
- Hatchery : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
- FeedMill : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P
- Processing : Mahalakshmiapuram,
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.

Declaration - Code of Conduct

All Board members and senior management personnel have, for the financial year ended on 31st March, 2018, have affirmed compliance with the code of conduct laid down by the Board of Directors and senior management, in terms of Schedule V-D of SEBI(LODR) Regulations, 2015.

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
DATE : 14th August 2017

M.VEERRAJU
DIRECTOR
DIN: 03164917

S.PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094

REPORT ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by M/s. Sharat Industries Limited for the year ended March 31, 2018 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges and company's (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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: 14th August, 2018

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

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

To
The Board of Directors'
Sharat Industries Limited.

Dear Sirs,

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

We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud of which we have become aware.

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM
DATE: 14.08.2018

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

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

I hereby declare that:

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

FOR AND ON BEHALF OF THE BOARD

PLACE: VENKANNAPELEM

S. PRASAD REDDY

DATE: 14.08.2018

CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITORS' REPORT

To The Members of

SHARAT INDUSTRIES LIMITED

I. Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of SHARAT INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity 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 Ind AS 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 Ind AS 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 of these Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

IV. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS financial position of the Company as at March 31, 2018, its Profit (financial performance including other Comprehensive Income), Changes in Equity and its cash flows for the year ended on that date.

V. Other Matter

The Comparative financial information of the company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in

these Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 30th May, 2016 respectively expressed an modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls referred to our separate report in "Annexure - B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 29 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 A.R.KRISHNAN & ASSOCIATES
Chartered Accountants
FRN : 0098055

A. SENTHIL KUMAR
Partner
M. No. : 214611

Place: Nellore
Date: 30.05.2018

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

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

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of inventories:
 - a) The Inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) There are no material discrepancies noticed on physical verification between the physical stock and the book records.
- iii) In respect of loans, secured or unsecured, granted to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

The Company has not granted any loans, secured or unsecured, to companies, firms or

other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) **In respect of loans, investments, guarantees and security given**

The provisions of Section 185 and 186 of the companies Act, 2013 are not applicable to the Company

v) **In respect of public deposits :**

The Company has not accepted any deposits from the public. Therefore, the provisions of section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) with regard to the deposits accepted from the public and from the members are not applicable to the Company.

vi) **In respect of cost records :**

The Central Government of India has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.

vii) **In respect of statutory dues :**

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax, and other material statutory dues applicable to it with appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

b) There are no dues of Provident Fund, Income Tax, VAT, Service Tax, as at March 31, 2018, which have not been deposited on account of a dispute except the following

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

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

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

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

The Company did not raise any money by way of initial public offer or further public

offer (including debt instruments). The term loans received during the year have been applied for the purposes for which they were drawn.

x) In respect of frauds:

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

xi) In respect of managerial remuneration:

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

xii) In respect of Nidhi Company:

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

xiii) In respect of transactions with related parties:

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

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

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

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

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

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

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

for A.R.KRISHNAN & ASSOCIATES
Chartered Accountants
FRN : 0098055

A. SENTHIL KUMAR
Partner
M. No. : 214611

Place: Nellore

Date: 30.05.2018

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

I. Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SHARAT INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

II. Management's Responsibility for Internal Financial Controls

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

III. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

IV. Meaning of Internal Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

V. Inherent Limitations of Internal Financial Controls over Financial Reporting

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

VI. Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

A. SENTHIL KUMAR
Partner
M. No: : 214611

Place: Nellore
Date: 30.05.2018

SHARAT INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
I ASSETS				
(1) Non-Current Assets				
(a) Property, Plant & Equipment	3.1	371,190,239	338,389,995	360,442,982
(b) Capital Work in Progress	3.1	8,666,513	1,220,200	-
(c) Intangible Assets	3.2	578,647	374,149	420,534
(d) Intangible Assets under Development		-	-	-
(e) Financial Assets		-	-	-
(f) Deferred Tax Asset	14	(1,425,128)	55,748	3,497,966
(g) Other Non-Current Assets	4	13,567,982	15,196,319	42,795,076
Total Non-Current Assets		390,576,553	353,366,461	406,655,458
(2) Current Assets				
(a) Investments	5	350,960,556	350,507,271	360,952,009
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables	6	231,374,047	128,645,402	182,791,198
(iii) Cash and Cash Equivalents	7	10,124,246	43,803,892	48,934,611
(iv) Bank Balances Other than (iii) above	8	38,746,325	7,619,467	-
(v) Others		-	-	3,865,836
(c) Other Current Assets	9	77,250,997	52,451,745	21,823,291
Total Current Assets		798,066,772	583,917,467	613,185,943
TOTAL ASSETS		1,099,743,025	938,395,895	1,020,065,399
II EQUITY & LIABILITIES				
(1) Equity				
(a) Equity Share Capital	10	220,125,000	220,125,000	220,125,000
(b) Other Equity	11	281,525,624	270,152,414	252,435,234
Total Equity		501,650,624	490,277,414	472,560,234
(2) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	33,572,369	21,775,453	41,518,299
(ii) Other Financial Liabilities (other than those specified in (i) below)		37,335,910	52,297,810	57,901,919
(b) Provisions	13	1,412,894	1,678,410	2,104,553
(c) Deferred Tax Liabilities (other)	14	-	-	-
Total Non-Current Liabilities		34,361,053	23,551,673	43,624,771
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	339,018,474	280,296,912	299,584,341
(ii) Trade Payables	16	136,855,289	91,837,026	138,176,738
(iii) Other Financial Liabilities (other than those specified in (i) below)	17	481,894	539,231	5,548,437
(b) Other Current Liabilities	18	6,536,033	3,424,352	4,634,223
(c) Provisions	19	21,841,633	16,270,117	10,226,270
Total Current Liabilities		503,731,319	392,566,638	458,683,609
TOTAL EQUITY & LIABILITIES		1,099,743,025	938,395,895	1,020,065,399
Significant Accounting Policies & Notes forming part of the financial statements				

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

For A.K. Krishna & Associates
Chartered Accountants
F.R. No. 0098095

A. Senthil Kumar
Partner
M.No. 214411

Place: Nellore
Date: 30-05-2018

For and on behalf of the Board of Directors

S. Prasad Reddy
Managing Director
DIN: 00369094

S. Sharan Reddy
Executive Director
DIN: 02929724

V. C. Rama Krishna Kumar
Chief Financial Officer

SHARAT INDUSTRIES LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2018

	Particulars	Note No.	For the period ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from Operations	20	1,477,382,378	1,586,499,223
III	Other Income	21	10,119,648	41,379,962
IV	Total Income (I+II+III)		1,487,502,026	1,628,079,205
V	Expenses			
	(a) Cost of Materials Consumed	22	1,176,343,785	1,200,411,532
	(b) Purchase of Stock in trade			
	(c) Changes in Inventory	23	• (64,441,798)	23,039,868
	(d) Employee Benefits Expense	24	74,501,516	70,185,582
	(e) Finance Costs	25	44,026,938	46,990,899
	(f) Depreciation and Amortisation Expense	3.1	26,797,529	26,830,775
	(g) Other Expenses	26	214,864,906	274,914,039
	Total Expenses (V)		1,472,092,665	1,602,373,096
VI	Profit Before Exceptional Items and Tax (IV-V)		15,409,360	25,706,110
VII	Exceptional Items			
VIII	Profit Before Tax (VI-VII)		15,409,360	25,706,110
IX	Tax Expense			
	(a) Current Tax		3,194,677	5,388,005
	(b) Mat Credit Entitlement		(899,880)	1,007,882
	(c) Deferred Tax		2,380,756	2,434,320
X	Profit/(Loss) for the year (VIII-IX)		10,733,807	16,875,893
XI	Other Comprehensive Income Items that will not be reclassified to profit/(loss)		639,493	840,993
XII	Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [X+XI])		11,373,210	17,716,886
XIII	Earnings per Equity Share (Nominal Value of Rs.10/- per share)	27		
	(1) Basic		0.52	0.80
	(2) Diluted			
	Face Value of the Share		10.00	10.00
	Significant Accounting Policies & Notes forming part of the financial statements			

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For A.R.Krishnan & Associates
Chartered Accountants
F.R. No. 0098055

S.Prasad Reddy
Managing Director
DIN : 00069094

S.Sharat Reddy
Executive Director
DIN : 02929724

A.Scethil Kumar
Partner
M.No. 214611

V. C. Rama Krishna Kumar
Chief Financial Officer

Place : Nellore
Date : 30-05-2018

SHARAT INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2018

S.No	Particulars	For the Year ended March 31, 2018	For the year ended March 31, 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES	₹	₹
	Net Profit / (Loss) Before Extraordinary Items and Tax	15,409,360	25,706,110
	Adjustments for:		
	Depreciation and impairment of Property, plant and equipment	26,797,329	26,830,775
	Amortisation and impairment of intangible assets	-	-
	Loss on sale of Investments	-	-
	Finance Costs	44,026,938	46,990,899
	Gratuity	656,416	434,121
	Wealth Tax	-	-
	(Profit)/Loss on Sale of Vehicle	-	294,886
	Interest Income	(3,150,586)	(3,502,397)
	Creditors no Longer Payable	-	(2,053,740)
	Dividend Income	-	-
	Provision for Bad and Doubtful Debts	312,652	26,061,657
	Operating Profit/(Loss) Before Working Capital Changes	84,052,109	120,762,311
	Changes in Working Capital:		
	Adjustment for (Increase) / Decrease in Operating Assets		
	Inventories	(357,285)	10,444,758
	Trade Receivables	(102,841,887)	28,083,119
	Short term Loans and Advances	(24,799,253)	(30,628,453)
	Bank Balances Other than cash & Cash Equivalents	(31,126,858)	(7,619,467)
	Others	-	3,605,824
	Adjustment for Increase / (Decrease) in Operating Liabilities		
	Trade Payables	44,998,233	(44,279,542)
	Other Current Liabilities	1,129,682	(1,229,671)
	Long Term Provisions	(62,659)	(419,231)
	Short Term Provisions	7,664,843	807,458
	Cash generated from operations	(21,339,076)	79,526,906
	Cash outflow due to Exceptional Items	-	-
	Cash generated from operations	(21,339,076)	79,526,906
	Net Income Tax (Paid)/Refund	(5,388,005)	(6,551,617)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A	(26,727,081)	72,975,290
	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital Expenditure on Fixed Assets	(39,591,072)	(25,487,383)
	Decrease / (Increase) in Capital Work in Progress	(5,446,313)	(1,220,200)
	Proceeds from Sale of Fixed Assets	-	255,000
	Long Term Loans and Advances	1,551,336	27,475,758
	Interest Received	3,150,586	3,502,397
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B	(40,335,463)	4,525,572
	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) from / of Long Term Borrowings	13,796,515	(2,743,345)
	Current Maturities of Long term Debt	(56,341)	(5,010,206)
	Other Short term Borrowings	58,621,562	(8,187,429)
	Finance Costs	(44,026,938)	(46,990,899)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES - C	26,335,199	(81,931,880)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(38,727,345)	(4,431,018.72)
	Cash and Cash Equivalents at the beginning of the year	43,803,592	48,934,611.00
	Cash and Cash Equivalents at the end of the year	10,134,246	43,803,592.35
	Reconciliation of Cash and Cash Equivalents with the Balance sheet		
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)		
	Cash and Cash Equivalents at the end of the year		
	Comprises:		
	Cash on hand	183,760	312,646
	Balance with Banks		
	- in Current Accounts	9,950,486	17,639,011
	- in Deposit Accounts	-	25,551,935
		10,134,246	43,803,592

As Per our Report of even date

For A.R.Krishnan & Associates
Chartered Accountants
F.R. No. 0098035

For and on behalf of the Board of Directors

A.Senthil Kumar
Partner
M.No. 214611

S. Prasad Reddy
Managing Director
DIN : 00069094

S. Sharat Reddy
Executive Director
DIN : 02929724

Place : Nellore
Date : 30-05-2018

W. C. Rama Krishna Kumar
Chief Financial Officer

Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES:**a. Accounting Convention:**

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

b. Revenue Recognition:

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

c. Fixed Assets and Depreciation:

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

d. Foreign Currency Transactions:

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

e. Current and Deferred Tax :

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

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

f. Contingent Liabilities:

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

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

g. Inventories:

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

h. Retirement Benefits:

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

i. Impairment of Assets:

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

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

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

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

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

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

Note - 3.1 : Fixed Assets

Particulars	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Lab Equipments	Computers	Electrical Fixtures	Pond Construction	Setty	Tools & Equipments	Total PPE	Capital WIP
Cost or Deemed Cost														
At April 1, 2016	37,539,372	87,868,273	156,021,214	2,932,226	22,179,662	1,646,636	-	477,212	5,798,233	40,664,764	5,346,201	-	360,445,882	-
Additions	13,362,200	326,820	7,374,396	491,943	2,757,756	327,133	71,965	69,880	105,490	-	-	-	25,487,383	1,270,200
Disposals	-	-	-	-	(1,215,444)	-	-	-	-	-	-	-	(1,215,444)	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	51,471,672	88,194,873	163,395,610	3,424,169	23,721,974	1,973,769	71,965	547,012	5,903,713	40,664,764	5,346,201	-	384,717,821	1,270,200
Additions	-	6,491,574	19,000,382	276,649	6,805,784	605,295	1,556,770	182,151	810,998	-	-	3,505,569	39,335,072	5,446,113
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	51,471,672	94,686,447	182,395,992	3,700,818	36,527,758	2,579,064	1,726,735	729,163	6,714,711	40,664,764	5,346,201	3,505,569	420,547,334	6,666,313
Depreciation and Impairment														
At April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	5,043,972	12,005,610	352,902	3,011,042	431,573	3,614	275,986	1,137,385	2,156,613	358,685	-	26,784,384	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(665,580)	-	-	-	-	-	-	-	(665,580)	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	5,043,972	12,005,610	352,902	4,345,464	431,573	3,614	275,986	1,137,385	2,156,613	358,685	-	26,118,826	-
Depreciation charge for the year	-	5,129,671	12,000,403	389,598	4,221,186	540,948	34,990	182,414	1,167,894	2,156,613	358,685	559,224	26,743,829	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	10,173,643	24,006,013	742,500	8,566,650	972,521	38,604	458,402	2,305,279	4,313,226	717,370	559,224	51,833,431	-
Carrying Amount														
As at March 31, 2018	51,471,672	84,507,404	158,386,879	2,959,419	21,361,085	1,606,543	1,690,131	270,761	4,009,432	36,347,538	4,628,830	2,946,346	371,190,239	6,666,313
As at March 31, 2017	51,471,672	83,145,501	151,396,030	3,071,368	19,376,490	1,542,196	68,351	271,024	4,766,326	38,508,151	4,985,515	-	358,598,595	1,270,200
As at April 1, 2015	37,539,372	87,868,273	156,021,214	2,932,226	22,179,662	1,646,636	-	477,212	5,798,233	40,664,764	5,346,201	-	360,445,882	-

SHARAT INDUSTRIES LIMITED : NELLORE**Notes forming part of the Financial Statements****Note 3.2 : Intangible Assets**

Particulars	Computer Software	CIBAMOX Technology	Total
Cost or Deemed Cost			
At April 1, 2016	420538	-	420538
Additions	-	-	-
Disposals	-	-	-
Exchange Differences	-	-	-
Transfer	-	-	-
At March 31, 2017	420538	-	420,538
Additions	20,000	236,000	256,000
Disposals	-	-	-
Exchange Differences	-	-	-
Transfer	-	-	-
At March 31, 2018	440538	236,000	676,538
			-
Amortisation and Impairment			
At April 1, 2016	-	-	-
Amortisation expense for the year	46390.5	-	45,391
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2017	46390.5	-	46,391
Amorisation expense for the year	47,897	5,604	53,501
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2018	94287.5	5,604	99,892
			-
Carrying Amount			
As at March 31, 2018	346251	230,396	576,647
As at March 31, 2017	374148	-	374,148
As at April 1, 2016	420538	-	420,538

MEARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

(B) Assets

D. Non-current Assets		Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
Other Non-current Assets		4			
Investment Considered Good (to Parties other than related Parties)				1,283,760	22,945,528
Capital Advances					
Advances Other than Capital Advances					
Balances With Government Authorities					
Security Deposits			13,367,992	13,872,234	9,629,218
Other Advances					
Total (a-b-c)			13,367,992	15,155,968	22,595,746
2) Current Assets					
(A) Inventories:		5			
(As valued and certified by the Management)					
(i) Raw Materials			76,125,196	139,916,068	135,509,318
(ii) Finished Goods			207,834,443	501,402,645	228,442,212
(iii) Stock of Spares			8,262,997	9,183,358	-
			292,222,636	650,501,071	363,951,530
(B) Financial Assets:		6			
(i) Trade Receivables:					
Trade Receivables			231,174,647	28,645,412	182,798,188
Less: Allowance for Doubtful debts					
Receivables from Related Parties			231,174,647	28,645,412	182,798,188
Total			231,174,647	28,645,412	182,798,188
Current:			231,174,647	28,645,412	182,798,188
Non-Current					
Breakup of Good and Doubtful Debts					
Unsecured, Considered good			231,174,647	28,645,412	182,798,188
Unsecured, Considered doubtful					
Total			231,174,647	28,645,412	182,798,188
Impairment Allowance (allowance for bad and doubtful debts):					
Unsecured, Considered good			231,174,647	28,645,412	182,798,188
Unsecured, Considered doubtful					
Total			231,174,647	28,645,412	182,798,188
(C) Cash and Cash Equivalents:		7			
(As Cash in hand)					
Deposits with Banks:					
(i) in Current Accounts			9,950,156	47,439,011	30,862,530
(ii) Deposits with original maturity of less than 12 months				28,851,908	42,138,975
Current			9,950,156	76,290,919	73,001,505
Non-Current					
(D) Bank Balances Other than Referred Above		8			
(a) Earnmarked balances:					
(i) Unclaimed dividend account					
(ii) In deposit accounts			78,342,377	7,239,201	-
(b) Balances with banks:					
Deposits with original maturity of more than 12 months					
(c) BEFTC Balances			407,948	499,766	-
(d) Deposit Accounts					
Total			78,750,325	8,738,967	-
(E) Other Financial Assets					
(a) External Bank Receipts					
(b) Earnmarked balances:					
Deposits with original maturity of more than 12 months					
(c) Advances for Capital Goods					1,605,924
Total			-	-	1,605,924
(F) Other Current Assets		9			
(a) Loans and Advances to Employees					
Unsecured, considered good			21,682	29,642	30,399
Less: Provision for Doubtful Advances					
(b) Loans and Advances to Vendors & Others			25,741,124	8,499,285	71,402,371
(c) Prepaid Expenses			119,799	125,548	105,186
(d) Balances with Government Authorities			11,528,949	9,205,607	6,255,034
(e) Other			13,477,487	14,759,140	2,812,797
Total			36,837,039	23,519,574	80,575,787

SHARAT INDUSTRIES LIMITED

Notes forming part of the Financial Statements

(II) EQUITY & LIABILITIES
1) Equity

Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
a) Equity Share Capital	10			
Authorised:				
30000000 (30000000) Equity Shares of Rs. 10/- each		300,000,000	300,000,000	300,000,000
2000000 (2000000) Redeemable Preference Shares of Rs. 100/- each		200,000,000	200,000,000	200,000,000
		500,000,000	500,000,000	500,000,000
Issued, Subscribed and Paid up:				
22012500 (22012500) Equity Shares of Rs. 10/- each fully paid up		220,125,000	220,125,000	220,125,000
		220,125,000	220,125,000	220,125,000

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

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

Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
Equity Shares:				
Number of Shares at the beginning of the year		22,012,500	22,012,500	22,012,500
Add: Allotted during the year		-	-	-
Less: Bought back during the year		-	-	-
Number of Shares at the end of the year		22,012,500	22,012,500	22,012,500

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

Name of Share holder	Note No.	As At Mar 31, 2018 No. of Shares - % held	As At March 31, 2017 No. of Shares - % held	As At April 1, 2016 No. of Shares - % held
S. Prasad Reddy		8814800-40.04%	8814800-40.04%	8814800-40.04%
S. Sharat Reddy		2463800-11.19%	2163600-09.83%	2163600-09.83%

b) Other Equity

Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
Capital Reserve	11			
Opening Balance		140,832,436	140,832,436	140,832,436
Add: Additions during the year		-	-	-
Closing Balance A		140,832,436	140,832,436	140,832,436
Capital Subsidy				
Opening Balance		428,315	428,315	428,315
Closing Balance B		428,315	428,315	428,315
Surplus/(Deficit) in Statement of Profit and Loss				
Opening Balance		128,891,663	111,174,777	90,003,040
Add: Profit for the year		11,373,210	17,716,886	20,933,837
Add/(Less): Adjustment on Account of Term Loan Ind As Adjustment		-	-	147,360
Closing Balance C		140,264,873	128,891,663	111,174,777
Total (A+B+C)		281,525,624	270,152,414	252,435,528

SHARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

2) Non Current Liabilities				
Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
(a) Financial Liabilities	12			
(i) Borrowings				
Term Loan from Federal Bank (Secured)		34,771,685	20,068,025	41,811,367
Hire Purchase Loans From Banks		800,624	297,931	397,932
From Others		-	1,309,497	1,309,500
(ii) Other Financial Liabilities				
Other Loans		52,297,910	52,297,910	52,997,910
Advances from Customers		4,437,369	-	-
Deferred Advance from Rent and Deposits		620,631	-	-
		92,928,279	74,675,363	96,516,709
(b) Provisions	13		*	
Provision for employee benefits				
Post Retirement Benefits		1,432,804	1,478,450	2,304,553
Compensated Absences		-	-	-
		1,432,804	1,478,450	2,304,553
(c) Deferred Tax Liability	14			
On account of brought forward Losses		-	-	-
Deferred Tax Liability		-	-	-
On difference between book balance and tax balance of fixed assets		28,598,356	26,217,600	23,783,270
Deferred Tax Asset		-	-	-
On Account of Minimum Alternate Tax		27,173,228	16,273,348	27,281,230
		1,425,128	(55,748)	(3,497,960)
Net Deferred Tax Asset				
A. Nature of Security:				
1. Term Loan from Federal Bank is secured by the charge of Fixed Assets to be procured.				
2. Hire Purchase Loans are secured by way of hypothecation / charge of respective vehicles financed. The				

3. Current Liabilities				
Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
(a) Financial Liabilities				
(i) Borrowings	15			
Loans Payable on Demand				
From Banks		339,018,474	280,396,912	288,584,341
From Others		-	-	-
		339,018,474	280,396,912	288,584,341
(ii) Trade Payables	16			
Trade Payables to Micro Small and Medium Enterprises		-	-	-
Trade Payables to Related Parties		-	-	-
Trade Payables Other than Micro Small and Medium Enterprises		124,368,191	62,088,352	43,976,276
- For Supplies and Services		12,467,098	29,748,704	94,194,062
- For Expenses and Others		136,835,289	91,837,056	138,170,358
(iii) Other Financial Liabilities	17			
Current Maturities of Long Term Borrowings		-	-	5,538,437
Provision for Guaranty		481,890	419,231	-
Current Portion of Finance Lease Obligation		-	-	-
Interest Accrued and Not Due		-	119,060	10,000
Other Borrowings		481,890	538,231	5,548,437
(b) Other Current Liabilities	18			
(i) Statutory Remittances		1,328,908	886,995	873,290
(ii) Advances from Customers & Others		3,225,115	2,737,358	3,780,933
(iii) Unsecured from Others		-	-	-
(iv) Advances for Capital Goods		-	-	-
		4,554,023	3,624,352	4,654,223

SHARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

(c) Provisions	19			
Provision for employee benefits				
Post Retirement Benefits				
Compensated Absences				
Other Benefits				
Provision for Sales Returns				
Provision for others				
(a) Provision for Taxes (Net of Advance Tax)		3,194,677	5,388,005	2,830,506
(b) Provision for Expenses		18,646,956	10,982,112	13,895,764
(c) Other Provisions				
		21,841,633	16,370,117	16,726,270
TOTAL (a+b+c)		502,731,319	392,566,669	453,683,611

4) Revenues				
Particulars	Note No.	For the year ended Mar 31, 2018	For the year ended March 31, 2017	
Revenue from Operations:	20			
(a) Sale of Products		1,370,104,302	1,466,571,359	
(b) Sale of Services		18,100,838	5,770,814	
(c) Other Operating Revenues		89,177,238	114,157,050	
		1,477,382,378	1,586,499,223	
Sale of Products:				
Sale of Shrimp - Export		1,002,488,955	1,018,930,781	
Sale of Feed		266,103,474	430,405,630	
Sale of Seed		-	1,512,100	
Sale of Raw Shrimp		113,004,743	23,954,185	
Sale of Chemicals		990,250	2,372,500	
Interstate		-	8,561,625	
Total		1,382,497,422	1,491,736,821	
Less: Turnover Discount		(12,393,120)	(25,165,462)	
Net Turnover		1,370,104,302	1,466,571,359	
Sale of Services:				
Job Work Charges		18,100,838	5,770,814	
		18,100,838	5,770,814	
Other Operating Revenue:				
Export Incentives		83,802,771	111,433,115	
Sale of Scrap		5,374,467	2,723,935	
Other Income		-	-	
		89,177,238	114,157,050	
Other Income:	21			
(a) Interest Income				
(i) On Bank Deposits		2,204,495	2,001,250	
(ii) On Others		946,091	1,501,147	
(b) Net gain on Foreign Currency Transactions		6,629,303	9,100,486	
(c) Other Non-Operating Income		330,759	28,977,099	
(d) Income Tax Refund		-	-	
		10,119,648	41,579,982	

SHARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

Particulars	Note No.	For the year ended Mar 31, 2018	For the year ended March 31, 2017
Consumption of Raw Materials and Packing Materials:	22		
Opening Stock		139,919,068	136,509,516
Add: Purchase		1,113,177,873	1,203,821,063
		1,253,096,941	1,340,330,600
Less: Closing Stock - Shrimp		24,608,206	92,902,659
Feed		37,251,318	38,522,580
Packing Material & Spares & Chemicals		14,893,632	8,493,870
		1,176,343,785	1,200,411,532
Changes in Inventory of finished goods:	23		
Inventories at the end of the year			
Finished Goods - Frozen Shrimp		252,937,208	181,523,145
Finished Goods - Feed		12,907,235	19,879,500
		265,844,443	201,402,645
Inventories at the beginning of the year			
Finished Goods - Frozen Shrimp		181,723,145	206,855,263
Finished Goods - Feed		19,879,500	17,587,250
		201,402,645	224,442,513
Stock Loss			
(a) Finished goods/Stock in trade		-	-
(b) Work-in-progress		-	-
Total Stock loss		-	-
(Increase) / Decrease in stock		(64,441,798)	23,039,868

Particulars	Note No.	For the year ended Mar 31, 2018	For the year ended March 31, 2017
Employee Benefits Expense:	24		
Salaries, wages and bonus		69,637,822	64,667,348
Staff Welfare and contribution to other Funds		4,803,684	5,518,634
		74,501,506	70,185,982
Finance Costs:	25		
Interest Expense on:			
(i) Interest		43,828,750	46,669,741
(ii) Other Borrowing Costs		198,188	521,158
		44,026,938	46,990,899
Other Expenses	26		
Manufacturing Expenses			
Power & Fuel		57,694,899	50,250,164
Repairs & Maintenance			
- Buildings		4,913,629	2,339,347
- Plant & Machinery		5,510,614	670,342
- Electricals		372,156	1,092,448
Other Manufacturing Expenses		57,581,392	68,908,989
	(a)	126,072,690	123,261,290
Selling Expenses			
Advertisement		1,407,281	1,677,803
Ocean freight and export expenses		38,892,090	41,623,575
Marketing Expenses		9,155,808	4,858,583
Other Discounts		3,658,695	7,083,442
	(b)	53,113,875	55,243,403

SHARAT INDUSTRIES LIMITED

Notes forming part of the Financial Statements

Other expenses			
Audit Fees			
For Statutory Audit		250,000	250,000
For Taxation purpose		100,000	200,000
Return preparation		50,000	100,000
For Other Services		-	203,000
Audit Expense		66,618	660
Bank Charges		346,599	2,936,330
Bad Debts		312,652	26,061,657
Donation		65,960	21,000
Consultancy Fees		4,055,922	3,312,525
Communication Expenses		569,453	1,299,868
General Expenses		1,039,692	1,730,382
Fuel Charges		445,010	118,446
Insurance		1,339,372	1,398,126
Legal, Statutory & Documentation Charges		95,141	536,157
Listing Fee		305,000	294,886
Loss on sale of vehicle		-	964,251
Inspection Charges		3,808	632,492
Office Maintenance		1,510,317	2,439,233
Printing & Stationery		2,687,455	610,999
Registration & Renewals		828,155	858,034
Rates & Taxes		10,894,483	4,797,681
Security Charges		3,997,178	1,259,000
Office Rent		1,417,000	4,113,179
Travelling & Conveyance Expenses		2,897,889	2,190,889
Vehicles Maintenance		2,400,638	80,552
Service Tax		-	-
Sales Tax		-	-
	(c)	35,678,341	56,409,347
Grand Total (a+b+c)		214,864,906	234,914,039

Earnings per Share	27	For the year ended Mar 31, 2018	For the year ended March 31, 2017
Profit / (Loss) After Tax attributable to Equity Shareholders		11,373,210.01	17,716,886.00
Weighted average number of equity shares		220,125,000	220,125,000
Basic & Diluted Earnings per Share		0.05	0.08
Face Value of the Share		10.00	10.00

Notes to the Financial Statements for the year ended March 31, 2018

Corporate Information

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

1 Basis of Preparation of Financial Statements

Compliance with Ind AS

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

These financial statements for the year ended March 31, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS.

Basis of preparation and measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

2 Significant Accounting Policies

2.1 Property, Plant and Equipment (PPE)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of ₹ 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged. An asset's carrying amount is written down immediately to

its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.1. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

(i) Computer software

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

(ii) Amortisation methods and periods

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

(iii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

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

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

of principal and interest on the principal amount outstanding and by selling financial assets.

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

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

Financial liabilities

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

Equity instruments

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

Offsetting of financial instruments

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

2.5. Impairment

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

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

PPE and intangibles assets

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable

amount. An impairment loss is recognised in the Statement of Profit and Loss.

2.6. Inventories

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

2.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

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

Rendering of services

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

Interest Income

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

Insurance claims

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

2.8. Research and Development expenses

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

2.9. Leases

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

(i) Operating Lease:

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

(ii) Finance Lease:

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

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

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

2.10. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale

in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

2.11. Employee benefit expenses

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

(i) Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified

as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

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

Defined benefit plans

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

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

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in

other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

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

(ii) Short term employee benefit

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

2.12. Foreign currency translation

The functional currency of the Company is Indian rupee

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

2.13. Borrowing cost

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

2.14. Income tax

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

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

other comprehensive income or directly in equity, respectively.

Current tax

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

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

Deferred tax

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

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

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

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

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

2.15. Accounting of provisions, contingent liabilities and contingent assets

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

discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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

2.17. Earnings per share (EPS)

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

26 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Recognition of deferred tax assets

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on

parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non- financial assets

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

Inventories

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

Defined Benefit Obligation (DBO)

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

Useful lives of depreciable assets

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

Fair value measurement of financial instruments

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

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

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non- financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case

management uses the best information available. Estimated

fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Current and non-current classification

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

27 Group Structure - Related Party Relationship

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

Related Party Transactions

Particulars	Name of the company	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	-	-	-
Reimbursement of expenses	-	-	-
Receipt of service	-	-	-
Closing balance	-	-	-

Transactions with key management personnel:

Key management Personnel	Particulars of payment	As at March 31, 2018	As at March 31, 2017
S.Prasad Reddy	Remuneration	72,00,000	72,00,000
S.Prasad Reddy	Lease Rent	16,50,000	16,50,000
S.Sharat Reddy	Remuneration	48,00,000	48,00,000
S.Devaki reddy	Rent	8,40,000	8,40,000

28 Gratuity and other post employment benefit plan

Sl.No	Particulars	As at march 31, 2018	As at March 31, 2017
		(unfunded)	
	Defined Benefit Plan		
	Defined benefit obligation at the beginning of the year	18,97,681	23,04,553
a)	Current service cost	5,23,578	2,58,975
	Interest cost	1,32,838	1,75,146
	Actuarial (Gain)/ Loss	(6,39,403)	(8,40,993)
	Benefits Paid	-	-
	Defined Benefit obligation at the end of the year	19,14,694	18,97,581
	Expenses Recognised during the year		
	Current Service cost	5,23,578	2,58,975
	Interest cost	1,32,838	1,75,146
	Actuarial (Gain)/ Loss	6,56,416	4,34,121
	Actuarial Assumptions		
	Discount Rate (per Annum)	7.44%	7.44%
	Rate of Escalation in salary(per annum)	10.00%	10.00%

Sensitivity Analysis (Gratuity)

Sl.No	Particulars	Decrease			Increase		
		Rs.	Impact (Absolute)	%	Rs.	Impact (Absolute)	%
(a)	Discount Rate(-0.50/+0.50%)	19,38,059	23,365	1.22	18,92,062	(22,632)	(1.18)
(b)	Salary Inflation(-1/+1%)	18,70,749	(43,945)	(2.30)	19,60,622	45,928	2.40
(c)	Withdrawal rate(-5/+5%)	19,82,074	67,380	3.52	18,61,016	(53,678)	(2.80)

Maturity Profile of Defined Benefit Obligation (Gratuity)

Particulars	31-Mar-17	31-Mar-18
Year 1	4,19,231	4,81,890
Year 2	4,30,369	4,88,755
Year 3	3,17,037	2,95,590
Year 4	2,64,358	2,32,608
Year 5	2,17,036	2,05,193
After 5th Year	7,07,167	6,58,236

29 Commitments and contingencies

Contingent Liabilities

The Company is involved in a number of judicial, appellate and arbitration proceedings (including those described below) concerning matters arising in the course of conduct

of the Company's businesses. A summary of claims asserted on the Company in respect of these cases have been summarised below.

Tax contingencies

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

Nature of Tax	As at March 31, 2018 (₹. in lakhs)	As at March 31, 2017 (₹. in lakhs)	As at April 1, 2016 (₹. in lakhs)
Customs & Excise Duty	76.31	76.31	76.31
Service Tax	31.50	31.50	31.50

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

Amount in respect of other claims

Bank Guarantees issued on behalf of the company

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

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

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

31 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.

32 Financial risk management objectives and policies

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

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

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017

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

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

Interest rate risk

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

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

2.42 lakhs .(March 31, 2017 : Rs. 2.35 Lakhs).

Foreign currency risk

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

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

Currency	As at March 31, 2018		Currency	As at March 31, 2017		Currency	As at April 1, 2016	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	134855.5	-	USD	321846.9	-	USD	337597.1	-

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

Currency	As at March 31, 2018		Currency	As at March 31, 2017		Currency	As at April 1, 2016	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	65.32	134855.6	USD	64.36	32184.6	USD	66.4	33759.71

The impact on total equity is the same as the impact on net earnings as disclosed above.

Credit risk

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

Classes of Financial Assets	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments	-	-	-
Trade Receivable	23,11,74,647	12,86,45,412	18,27,90,188
Cash and bank balances	1,01,34,246	4,38,03,592	4,89,34,611
Bank Balances other than above bank balances	3,87,46,325	76,19,467	-
Other Financial assets	-	-	36,05,824
Total	28,00,55,218	18,00,68,471	23,53,30,623

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

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

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

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

Liquidity risk

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

As at March 31, 2018	Current	Non-current		Total
	Within 12 month	1-5 years	More than 5 years	
Borrowings	33,90,18,474	3,55,72,359	-	37,45,90,833
Trade Payables	13,68,35,289	-	-	13,68,35,289
Other Financial liabilities	4,81,890	5,73,55,910	-	5,78,37,800
Total	47,63,35,653	9,29,28,269	-	56,92,63,922
As at March 31, 2017	Current	Non-current		Total
	Within 12 month	1-5 years	More than 5 years	
Borrowings	28,03,96,912	2,17,75,453	-	30,21,72,365
Trade Payables	9,18,37,056	-	-	9,18,37,056
Other Financial liabilities	5,38,231	5,22,97,910	-	5,28,36,141
Total	37,27,72,199	7,40,73,363	-	44,68,45,562
As at April 1, 2016	Current	Non-current		Total
	Within 12 month	1-5 years	More than 5 years	
Borrowings	28,85,84,341	4,35,18,799	-	33,21,03,140
Trade Payables	13,81,70,338	-	-	13,81,70,338
Other Financial liabilities	55,48,437	5,29,97,910	-	5,85,46,347
Total	43,23,03,116	9,65,16,709	-	52,88,19,825

33 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from

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

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Share Capital	22,01,25,000	22,01,25,000	22,01,25,000
Free Reserves	14,02,64,873	12,88,91,663	11,11,74,777
Equity (A)	36,03,89,873	34,90,16,663	33,12,99,777
Short term borrowings	33,90,18,474	28,03,96,912	28,85,84,341
Long Term Borrowings	9,29,28,279	7,40,73,363	9,65,16,709
Current Maturities of Long term borrowings	-	-	55,38,437
Debt (B)	43,19,46,753	35,44,70,275	39,06,39,487
Cash and Cash Equivalents	1,01,34,246	4,38,03,592	4,89,34,611
Short Term Investments	-	-	-
Total Cash (C)	1,01,34,246	4,38,03,592	4,89,34,611
Net Debt (B-C)=D	42,18,12,507	31,06,66,683	34,17,04,876
Net Debt to Equity Ratio (D/A)=E	1.17	0.89	1.03

36 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet

as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2018.

First-time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

Mandatory exceptions adopted by the Company

(i) De-recognition of financial assets and liabilities:

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS Balance Sheet.

(ii) Estimates:

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

Optional exemptions availed by the Company

(i) Property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets). Land and buildings (properties) were carried in the Balance Sheet prepared in accordance with Previous GAAP on the basis of historical cost. The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at April 1, 2016.

Reconciliation of equity as at March 31, 2017 and April 1, 2016

Particulars	As at March 31, 2017	As at April 1, 2016
	(End of last period presented under previous GAAP)	(Date of transition presented under previous GAAP)
Equity as reported under previous GAAP	49,06,92,639	47,24,13,228
Fair value gain on investments under Ind AS	-	-
Impact on revenue recognition	-	-

Dividend liability not recognised until declared under Ind AS		
Provision for expected credit losses		
Measurement of borrowings under effective interest rate method	35,048	1,47,300
Actuarial gain/loss on defined benefits	(4,50,273)	-
Others		
Tax effect on above adjustments		-
Effect on account of PFL's merger with the Company		-
Equity under Ind AS	49,02,77,414	47,25,60,528

Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Year ended March, 2017 (Latest period presented under previous GAAP)
Net Profit / (Loss) after Tax as per Indian GAAP	1,82,79,411
Impact of Measuring Investments at Fair Value through Profit or Loss (FVTPL)	
Valuing Loans at Effective Interest Rate	35,048
Additional Provision for Sales Return	-
Fair Value of Advances	-
Impact on Revenue Recognition	-
Impact due to Provisioning as per Expected Credit Loss	-
Deferred Tax	
Actuarial gain/loss on defined benefits	(14,38,566)
Straight lining of leases	-
Effect on account of PFL's merger with the Company	-
Net Profit / (Loss) after tax as per Ind AS	1,68,75,893
Other Comprehensive Income (Net of tax)	8,40,993
Total Comprehensive Income after Tax as per Ind AS	1,77,16,886

35 Previous year figures

Previous year's figures have been restated, rearranged and regrouped, wherever necessary.

For A.R. Krishnan & Associates
Chartered Accountants
F.R. No. 0098058

A. Senthil Kumar
Partner
M.No. 214611

Place: Nellore
Date: 30-05-2018

S. Prasad Reddy
Managing Director
DIN: 00069094

S. Sharat Reddy
Executive Director
DIN: 02029724

V. C. Rama Krishna Kumar
(Chief Financial Officer)

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 28th Annual General Meeting of the company held on 29th day of September, 2018 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: VENKANNAPEM 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	VENKANNAPEM VILLAGE, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

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

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

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 28th Annual General meeting of the Company, to be held on Saturday, 29th day of September, 2018 at 10.00 A. M at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh and at any adjournment thereof in respect of such resolution as are indicated below:

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

Signed this ; day of 2018

Signature of Shareholder.....

Signature of Proxy holder(s).....

**Affix
Revenue
Stamp**

Note: This of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

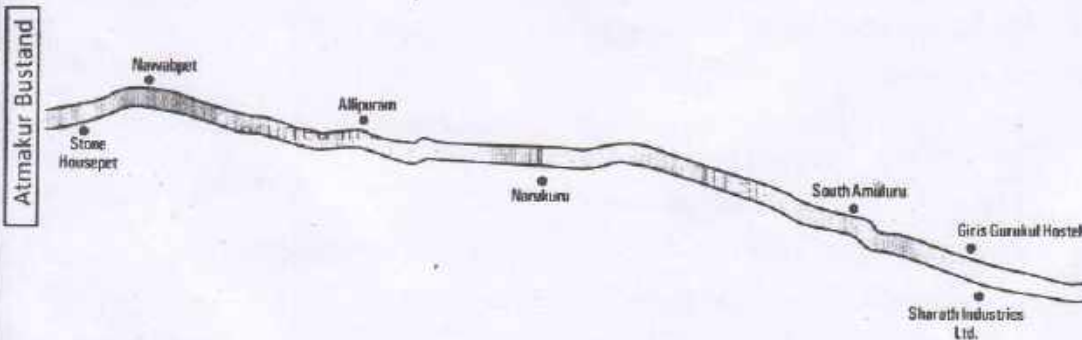
SHARHOLDER'S INFORMATION

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

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

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

ROUTE MAP



SHARAT INDUSTRIES LIMITED

RETTAM GETHURU
T204-K008

SHARAT INDUSTRIES LIMITED
is a subsidiary of SHARAT INDUSTRIES LIMITED
and is a public company listed on the stock exchange of India.
The company is engaged in the business of manufacturing and
marketing of various types of machinery and equipment.



2017 Annual Report 2017-2018

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IF UNDELIVERED, PLEASE RETURN TO :

SHARAT INDUSTRIES LIMITED

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

