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	358,598,995	360,445,882
	(b) Capital Work in Progress	3.1	6,666,513	1,220,200	-
	(c) Intangible Assets	3.2	576,647	374,148	420,538
	(d) Intangible Assets under Development		-	-	
	(e) Financial Assets		-	-	-
	(e) Defrred Tax Asset	14	(1,425,128)	55,748	3,497,960
	(g) Other Non-Current Assets	4	13,567,982	15,119,318	42,595,076
	Total Non-Current Assets		**390,576,253**	**375,368,409**	**406,959,456**
	(2) Current Assets				
	(a) Inventories	5	350,860,556	350,507,271	360,952,029
	(b) Financial Assets				
	(i) Investments		-	-	-
	(ii) Trade Receivables	6	231,174,647	128,645,412	182,790,188
	(iii) Cash and Cash Equivalents	7	10,134,246	43,803,592	48,934,611
	(iv) Bank Balances Other than (iii) above	8	38,746,325	7,619,467	-
	(v) Others		-	-	3,605,824
	(c) Other Current Assets	9	77,250,997	52,451,745	21,823,291
	Total Current Assets		**708,166,772**	**583,027,487**	**618,105,943**
	TOTAL ASSETS		**1,098,743,025**	**958,395,895**	**1,025,065,399**
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	252,435,528
	Total Equity		**501,650,624**	**490,277,414**	**472,560,528**
	(2) Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	35,572,369	21,775,453	43,518,799
	(ii) Other Financial liabilities[other than those specified in (b) below]		57,355,910	52,297,910	52,997,910
	(b) Provisions	13	1,432,804	1,478,450	2,304,553
	(c) Deferred Tax Liabilities (Net)	14	-	-	-
	Total Non-Current Liabilities		**94,361,083**	**75,551,813**	**98,821,262**
	(3) Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15	339,018,474	280,396,912	288,584,341
	(ii) Trade Payables	16	136,835,289	91,837,056	138,170,338
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	481,890	538,231	5,548,437
	(b) Other Current Liabilities	18	4,554,033	3,424,352	4,654,223
	(c) Provisions	19	21,841,633	16,370,117	16,726,270
	Total Current Liabities		**502,731,318**	**392,566,668**	**453,683,609**
	TOTAL EQUITY & LIABITIES		**1,098,743,025**	**958,395,895**	**1,025,065,399**
	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. 009805S

A.R.KRISHNAN & ASSOCIATES
FRN. 009805S
CHARTERED ACCOUNTANTS

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 : 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	41,579,982
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	74,501,506	70,185,982
	(e) Finance Costs	25	44,026,938	46,990,899
	(f) Depreciation and Amortisation Expense	3.1	26,797,329	26,830,775
	(g) Other Expenses	26	214,864,906	234,914,039
	Total Expences (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	2,434,330
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)		639,403	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 A.R.Krishnan & Associates
Chartered Accountants
F.R. No. 009805S

A.R.KRISHNAN & ASSOCIATES
FRN: 009805S
CHARTERED ACCOUNTANTS

A.Senthil Kumar
Partner
M.No. 214611

Place : Nellore
Date : 30-05-2018

For and on behalf of the Board of Directors

S.Prasad Reddy
Managing Director
DIN : 00069094

S.Sharat Reddy
Executive Director
DIN : 02929724

V. C. Rama Krishna Kumar
Chief Financial Officer

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		**1,54,09,360**	**2,57,06,110**
	Adjustments for:			
	Depreciation and impairment of Property, plant and equipment		2,67,97,329	2,68,30,775
	Amortisation and impairment of intangible assets			
	Loss on sale of Investments			
	Finance Costs		4,40,26,938	4,69,90,899
	Gratuity		6,56,416	4,34,121
	Wealth Tax		-	-
	(Profit)/Loss on Sale of Vehicle		-	2,94,886
	Interest Income		(31,50,586)	(35,02,397)
	Creditors no Longer Payable		-	(20,53,740)
	Dividend Income			
	Provision for Bad and Doubtful Debts		3,12,652	2,60,61,657
	Operating Profit/(Loss) Before Working Capital Changes		**8,40,52,109**	**12,07,62,311**
	Changes in Working Capital:			
	Adjustment for (Increase) / Decrease in Operating Assets			
	Inventories		(3,53,285)	1,04,44,758
	Trade Receivables		(10,28,41,887)	2,80,83,119
	Short term Loans and Advances		(2,47,99,253)	(3,06,28,453)
	Bank Balances Other than cash & Cash Equivalents		(3,11,26,858)	(76,19,467)
	Others		-	36,05,824
	Adjustment for Increase / (Decrease) in Operating Liabilities			
	Trade Payables		4,49,98,233	(4,42,79,542)
	Other Current Liabilities		11,29,682	(12,29,871)
	Long Term Provisions		(62,659)	(4,19,231)
	Short Term Provisions		76,64,843	8,07,458
	Cash generated from operations		**(2,13,39,076)**	**7,95,26,906**
	Cash outflow due to Exceptional Items		-	-
B.	**Cash generated from operations**		**(2,13,39,076)**	**7,95,26,906**
	Net Income Tax (Paid)/Refund		(53,88,005)	(65,51,617)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A		**(2,67,27,081)**	**7,29,75,290**
	CASH FLOW FROM INVESTING ACTIVITIES			
	Capital Expenditure on Fixed Assets		(3,95,91,072)	(2,54,87,383)
	Decrease / (Increase) in Capital Work in Progress		(54,46,313)	(12,20,200)
	Proceeds from Sale of Fixed Assets		-	2,55,000
	Long Term Loans and Advances		15,51,336	2,74,75,758
	Interest Received		31,50,586	35,02,397
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B		**(4,03,35,463)**	**45,25,572**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds / (Repayment) from / of Long Term Borrowings		1,37,96,915	(2,17,43,346)
	Current Maturities of Long term Debt		(56,341)	(50,10,206)
	Other Short term Borrowings		5,86,21,562	(81,87,429)
	Finance Costs		(4,40,26,938)	(4,69,90,899)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES - C		**2,83,35,199**	**(8,19,31,880)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**(3,87,27,345)**	**(44,31,018.72)**
	Cash and Cash Equivalents at the beginning of the year		**4,38,03,592**	**4,89,34,611.00**
	Cash and Cash Equivalents at the end of the year		**1,01,34,246**	**4,38,03,592.35**
	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		1,83,760	3,12,646
	Balance with Banks			
	- in Current Accounts		99,50,486	1,76,39,011
	- in Deposit Accounts		-	2,58,51,935
			1,01,34,246	**4,38,03,592**

As Per our Report of even date

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

A.R. KRISHNAN & ASSOCIATES * FRN: 009805S * CHARTERED ACCOUNTANTS

A.Senthil Kumar
Partner
M.No. 214611

Place : Nellore
Date : 30-05-2018

For and on behalf of the Board of Directors

S. Prasad Reddy
Managing Director
DIN : 00069094

S.Sharat Reddy
Executive Director
DIN : 02929724

V. C. Rama Krishna Kumar
Chief Financial Officer

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 Constuction	Jetty	Tools & Equipments	Total PPE	Capital WIP
Cost or Deemed Cost														
At April 1, 2016	37,509,372	87,868,273	156,021,214	2,932,326	22,179,662	1,646,636	-	477,212	5,798,223	40,664,764	5,348,201	-	360,445,882	-
Additions	13,962,300	326,600	7,374,396	491,943	2,757,756	327,133	71,965	69,800	105,490	-	-	-	25,487,383	1220200
Disposals	-	-	-	-	(1,215,444)	-	-	-	-	-	-	-	(1,215,444)	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	**51,471,672**	**88,194,873**	**163,395,610**	**3,424,269**	**23,721,974**	**1,973,769**	**71,965**	**547,012**	**5,903,713**	**40,664,764**	**5,348,201**	-	384,717,821	1,220,200
Additions		6,491,574	19,000,282	276,649	6,805,784	605,295	1,656,770	182,151	810,998	-	-	3,505,569	39,335,072	5,446,113
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	**51,471,672**	**94,686,447**	**182,395,892**	**3,700,918**	**30,527,758**	**2,579,064**	**1,728,735**	**729,163**	**6,714,711**	**40,664,764**	**5,348,201**	**3,505,569**	420,547,324	**6,666,313**
Depreciation and Impairment														
At April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	5,048,972	12,005,610	352,902	5,011,042	431,573	3,614	275,988	1,137,385	2,158,613	358,685	-	26,784,384	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(665,558)	-	-	-	-	-	-	-	(665,558)	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	5,048,972	12,005,610	352,902	4,345,484	431,573	3,614	275,988	1,137,385	2,158,613	358,685	-	26,118,826	-
Depreciation charge for the year	-	5,129,871	12,000,403	389,598	4,221,189	540,948	34,990	182,414	1,167,894	2,158,613	358,685	559,224	26,743,829	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	**10,178,843**	**24,006,013**	**742,500**	**8,566,673**	**972,521**	**38,604**	**458,402**	**2,305,279**	**4,317,226**	**717,370**	**559,224**	52,303,431	-
Carrying Amount														
As at March 31, 2018	**51,471,672**	**84,507,604**	**158,389,879**	**2,958,419**	**21,961,085**	**1,606,543**	**1,690,131**	**270,761**	**4,409,432**	**36,347,538**	**4,630,830**	**2,946,346**	**371,190,239**	**6,666,313**
As at March 31,2017	51,471,672	83,145,901	151,390,000	3,071,368	19,376,490	1,542,196	68,351	271,024	4,766,328	38,506,151	4,989,515	-	358,598,995	1,220,200
As at April 1,2016	37,509,372	87,868,273	156,021,214	2,932,326	22,179,662	1,646,636	-	477,212	5,798,223	40,664,764	5,348,201	-	360,445,882	-

A.R.KRISHNAN & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN: 009805S

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	-	**46,391**
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2017	46390.5	-	**46,391**
Amorisation expense for the year	47,897	**5,604**	**53,501**
Impairment	-	-	-
Disposals	-	-	-
Exchange differences	-	-	-
At March 31, 2018	94287.5	**5,604**	**99,892**
			-
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**

A.R.KRISHNAN & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN: 009805S

SHARAT INDUSTRIES LIMITED
Notes forming part of the Financial Statements

(I) Assets

1) Non Current Assets

Particulars	Note No.	As At Mar 31, 2018	As At March 31, 2017	As At April 1, 2016
Other Non-Current Assets	4			
Unsecured,Considered Good (to Parties other than related Party)		-	12,83,760	2,29,65,528
Capital Advances				-
Advances Other than Capital Advances				
Balances With Government Authorities		-	-	-
Security Deposits		1,35,67,982	1,38,35,558	1,96,29,548
Other Advances		-	-	-
Total (a+b+c)		1,35,67,982	1,51,19,318	4,25,95,076
2) Current Assets				
(A) Inventories :	5			
(As valued and certified by the Management)				
(i) Raw Materials		7,67,53,156	13,99,19,068	13,65,09,516
(ii) Finished Goods		26,58,44,443	20,14,02,645	22,44,42,513
(iii) Stock of Spares		82,62,957	91,85,558	-
		35,08,60,556	35,05,07,271	36,09,52,029
(B) Financial Assets :				
(i) Trade Receivables :	6			
Trade Receivables		23,11,74,647	12,86,45,412	18,27,90,188
Less : Allowance for Doubtful debts				-
		23,11,74,647	12,86,45,412	18,27,90,188
Receivables from Related Parties				-
Total		23,11,74,647	12,86,45,412	18,27,90,188
Current		23,11,74,647	12,86,45,412	18,27,90,188
Non-Current		-	-	-
Breakup of Good and Doubtful Debts				
Unsecured, Considered good		23,11,74,647	12,86,45,412	18,27,90,188
Unsecured, Considered doubtful		-	-	-
Total		23,11,74,647	12,86,45,412	18,27,90,188
Impairment Allowance (allowance for bad and doubtful debts):				
Unsecured, Considered good		23,11,74,647	12,86,45,412	18,27,90,188
Unsecured, Considered doubtful		-	-	-
Total		23,11,74,647	12,86,45,412	18,27,90,188
(ii) Cash and Cash Equivalents :	7			
(a)Cash on hand		1,83,760	3,12,646	3,35,686
(b)Balances with Banks:				
i) in Current Accounts		99,50,486	1,76,39,011	3,08,62,250
ii) Deposits with original maturity of less than 3 months		-	2,58,51,935	1,77,36,675
Current		1,01,34,246	4,38,03,592	4,89,34,611
Non-Current		-	-	-
(ii) Bank Balances Other Than Referred Above	8			
(a) Earmarked balances :				
i) Unclaimed dividend account		-	-	-
ii) In deposit accounts		3,83,42,377	72,10,201	-
(b) Balances with banks :				
Deposits with original maturity of more than 3 months			-	-
(c)EEFC Balances		4,03,948	4,09,266	-
(d) Deposit Accounts		-	-	-
Total		3,87,46,325	76,19,467	-
(iii) Other Financial Assets				
(a) Deferred Rent Receivable		-	-	-
(b) Earmarked balances :				
Deposits with original maturity of more than 12 months		-	-	-
(b) Advances for Capital Goods		-	-	36,05,824
Total		-	-	36,05,824
(C) Other Current Assets	9			
(a) Loans and Advances to Employees				
Unsecured, considered good		23,682	29,942	30,000
Less : Provision for Doubtful Advances		-	-	-
		23,682	29,942	30,000
(b) Loans and Advances to Vendors & Others		3,57,41,151	84,99,789	1,54,05,371
(b) Prepaid Expenses		3,19,769	4,45,508	5,63,165
(c) Balances with Government Authorities		1,01,28,909	92,07,057	30,22,049
(f) Others		3,10,37,487	3,42,69,449	28,02,707
		7,72,27,315	5,24,21,803	2,17,93,291

SHNAN & ASSOC

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		30,00,00,000	30,00,00,000	30,00,00,000
2000000 (2000000) Redeemable Preference Shares of Rs. 100/- each		20,00,00,000	20,00,00,000	20,00,00,000
		50,00,00,000	**50,00,00,000**	**50,00,00,000**
Issued, Subscribed and Paid up:				
22012500 (22012500) Equity Shares of Rs. 10/- each fully paid up		22,01,25,000	22,01,25,000	22,01,25,000
		22,01,25,000	**22,01,25,000**	**22,01,25,000**

(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 oustanding 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		2,20,12,500	2,20,12,500	2,20,12,500
Add: Allotted during the year		-	-	-
Less: Bought back during the year		-	-	-
Number of Shares at the end of the year		**2,20,12,500**	**2,20,12,500**	**2,20,12,500**

(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	11			
Capital Reserve				
Opening Balance		14,08,32,436	14,08,32,436	14,08,32,436
Add: Additions during the year		-	-	-
Closing Balance A		**14,08,32,436**	**14,08,32,436**	**14,08,32,436**
Capital Subsidy				
Opening Balance		4,28,315	4,28,315	4,28,315
Closing Balance B		**4,28,315**	**4,28,315**	**4,28,315**
Surplus/(Deficit) in Statement of Profit and Loss				
Opening Balance		12,88,91,663	11,11,74,777	9,00,93,640
Add: Profit for the year		1,13,73,210	1,77,16,886	2,09,33,837
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment		-	-	1,47,300
Closing Balance C		**14,02,64,873**	**12,88,91,663**	**11,11,74,777**
Total (A+B+C)		**28,15,25,624**	**27,01,52,414**	**25,24,35,528**

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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		800,684	397,931	397,932
From Others		-	1,309,497	1,309,500
(ii) Other Financial Liabilties				
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	**74,073,363**	**96,516,709**
(b) Provisions	13			
Provision for employee benefits				
Post Retirement Benefits		1,432,804	1,478,450	2,304,553
Compnesated Absences		-	-	-
		1,432,804	**1,478,450**	**2,304,553**
(c) Defferred Tax Liability	14			
On account of brought forwaded 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	26,273,348	27,281,230
Net Deferred Tax Asset		**1,425,128**	**(55,748)**	**(3,497,960)**

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				
- For Supplies and Services		124,368,191	62,088,352	43,976,276
- For Expenses and Others		12,467,098	29,748,704	94,194,062
		136,835,289	91,837,056	138,170,338
(iii) Other Financial Liabilities	17			
Current Maturities of Long Term Borrowings		-	-	5,538,437
Provision for Gratuity		481,890	419,231	-
Current Portion of Finance Lease Obligation		-		-
Interest Accrued and Not Due		-		-
Other Borrowings		-	119,000	10,000
		481,890	538,231	5,548,437
(b) Other Current Liabilities	18			
(i) Statutory Remittances		1,328,908	686,995	873,290
(ii) Advances from Customers & Others		3,225,125	2,737,358	3,780,933
(iii) Unsecured from Others		-	-	-
(iii) Advances for Capital Goods			-	-
		4,554,033	3,424,352	4,654,223

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Notes forming part of the Financial Statements

(c) Provisions	19			
Provision for employee benefits				
Post Retirement Benefits		-	-	-
Compnesated Absences		-	-	-
Other Benefits		-	-	-
Provision for Sales Returns				
Provision for others				
(a) Provision for Taxes (Net of Advance Tax)		31,94,677	53,88,005	28,30,506
(b) Provision for Expenses		1,86,46,956	1,09,82,112	1,38,95,764
(c) Other Provisions				-
		2,18,41,633	1,63,70,117	1,67,26,270
TOTAL (a+b+c)		50,27,31,319	39,25,66,669	45,36,83,611

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		1,37,01,04,302	1,46,65,71,359
(b) Sale of Services		1,81,00,838	57,70,814
(c) Other Operating Revenues		8,91,77,238	11,41,57,050
		1,47,73,82,378	**1,58,64,99,223**
Sale of Products:			
Sale of Shrimp - Export		1,00,24,88,955	1,01,89,30,781
Sale of Feed		26,61,03,474	43,64,05,630
Sale of Seed		-	15,12,100
Sale of Raw Shrimp		11,30,04,743	2,39,54,185
Sale of Chemicals		9,00,250	23,72,500
Interstate		-	85,61,625
Total		**1,38,24,97,422**	**1,49,17,36,821**
Less: Turnover Discount		(1,23,93,120)	(2,51,65,462)
Net Turnover		**1,37,01,04,302**	**1,46,65,71,359**
Sale of Services:			
Job Work Charges		1,81,00,838	57,70,814
		1,81,00,838	**57,70,814**
Other Operating Revenue:			
Export Incentives		8,38,02,771	11,14,33,115
Sale of Scrap		53,74,467	27,23,935
Other Income		-	-
		8,91,77,238	**11,41,57,050**
Other Income :	21		
(a) Interest Income			
(i) On Bank Deposits		22,04,495	20,01,250
(ii) On Others		9,46,091	15,01,147
(b) Net gain on Foreign Currency Transactions		66,29,303	91,00,486
(c) Other Non-Operating Income		3,39,759	2,89,77,099
(d) Income Tax Refund		-	-
		1,01,19,648	**4,15,79,982**

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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: Purchases		1,113,177,873	1,203,821,084
		1,253,096,941	**1,340,330,600**
Less: Closing Stock - Shrimp		24,608,206	92,902,658
Feed		37,251,318	38,522,580
Packing Material & Spares & Chemicals		14,893,632	8,493,830
		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		181,523,145	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		4,863,684	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	321,158
		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**

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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**

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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.

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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 t o 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

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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.

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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.

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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.

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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.

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(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

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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.

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2.12 Foreign currency translation

The functional currency of the Company is Indian rupee

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

2.13 Borrowing cost

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

2.14 Income tax

Income tax expense comprises current tax expense and the net change in the def erred 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.

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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.

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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.

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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

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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	42,00,000
S.Devaki reddy	Rent	8,40,000	8,40,000

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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		
a)	Defined benefit obligation at the beginning of the year	18,97,681	23,04,553
b)	Current service cost	5,23,578	2,58,975
	Interest cost	1,32,838	1,75,146
	Acturial (Gain)/ Loss	(6,39,403)	(8,40,993)
	Benefits Paid	-	-
	Defined Benefit obligation at the end of the year	19,14,694	18,97,681
	Expenses Recognised during the year		
	Current Service cost	5,23,578	2,58,975
	Interest cost	1,32,838	1,75,146
	Acturial (Gain)/ Loss	6,56,416	4,34,121
	Acturial 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)

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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.

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Amount in respect of other claims

Bank Guarantees issued on behalf of the company

Name of bank	As at March 31, 2018 (`. in lakhs)	As at March 31, 2017 (`. in lakhs)	As at April 1, 2016 (`. in lakhs)
Oriental bank of Commerce	1.50	1.50	1.50
Federal bank	54.37	54.37	194.83

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:

a) plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
b) The proceedings are in early stages;
c) There is uncertainty as to the outcome of pending appeals or motions or negotiations; and/or
d) 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:

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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	1348555.5	-	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 ra	Effect of 10% strengthening of USD on net earnings		Closing ra	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

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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

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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).

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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

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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
FRN No: 009805S

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A.SENTHIL KUMAR
Partner
M.No: 214611

For and on behalf of the Board of Directors

S. PRASAD REDDY
Managing Director
(DIN :07506651)

S. SHARAT REDDY
Director
(DIN :03137732)

V. C. Rama Krishna
Chief Financial Officer

Place: Nellore
Date: 30.05.2018