

**SHARAT INDUSTRIES LIMITED**

**34<sup>th</sup> Annual Report**

**2023-2024**

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2024 reinforced our Passion to be in the industry by constantly adjusting our sails against the odds of the wind to achieve our ambitions. The results represent a lot of collaboration, discipline, execution, and reimagination across the company. Our employees have been our strength, and it is the collective effort of the team, their dedication and commitment, that have ensured our strong presence in the market. Our ability to delight our customers with a variety of products, to focus on quality, and honor our export commitments in a volatile market, have enabled us to earn the trust and confidence of our customers. Not only have we strengthened our relations with our customers in the US, but have also increased our exposure to Russia. While we've made meaningful progress on our financial measures, what we're most pleased about is the continued customer experience improvements across geographies.

# Corporate Information

## Board of Directors

1. **Mr. Prasad Reddy Sabbella**  
Managing Director
2. **Mr. Sharat Reddy Sabbella**  
Whole Time Director (ED)
3. **Mr. Harihar Venkata Muthyam**  
Independent Director
4. **Mr. P. Shanmugam**  
Non-Executive Director
5. **Mr. Swayze Mani**  
Independent Director
6. **Mrs. Geetha Adhyam Bindu**  
Independent Director

## CHIEF FINANCIAL OFFICER

Mr. N. Thyagarajan

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. M. Balamurugan - From 22<sup>nd</sup> April 2023

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

M/s. P S S & Co., Chartered Accountants

## SECRETARIAL AUDITORS

M/s. BP & Associates, Practicing Company Secretaries

## BANKER

AXIS BANK LIMITED

## REGISTERED OFFICE

Venkannapalem Village, T.P. Gudur Mandal,  
Nellore District, Andhra Pradesh - 524 005

## CORPORATE OFFICE

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

## REGISTRAR AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Service Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai - 600 002

# We Are An Integrated Aquaculture Company

Sharat Industries Limited in its constant and continuous attempt to deliver enduring value to its shareholders is embarking on a collaborative attempt to expand its market reach and impact. Despite the volatility in the aquaculture industry coupled with various challenges faced by the industry during recent times, we have been proactive in our interventions, adapting swiftly to dynamic market fluctuations and challenges. Sharat Industries, with its passion for fostering strong partnerships, is signing up with a Bangalore based firm focusing on strengthening the

sea food supply chain across the globe. This partnership will not only solidify our market presence in US, but also will facilitate tapping into newer opportunities for growth.

## SHRIMP MARKET IN INDIA

India's domestic market has great potential to absorb significant portion of domestic shrimp production, today, the industry exports 95% of Indian farmed Shrimps. India's largest export market is the US, where it primarily supplies peeled shrimp to the retail sector. India is the US's largest raw and cooked peeled shrimp product

## Our Global Presence

**30+**  
Years of experience

**25+**  
International Customers

**35+**  
Domestic Customers

**150**  
Employees

**55+**  
Farmer Relationships

**12+**  
Countries of export

**15+**  
Product varieties



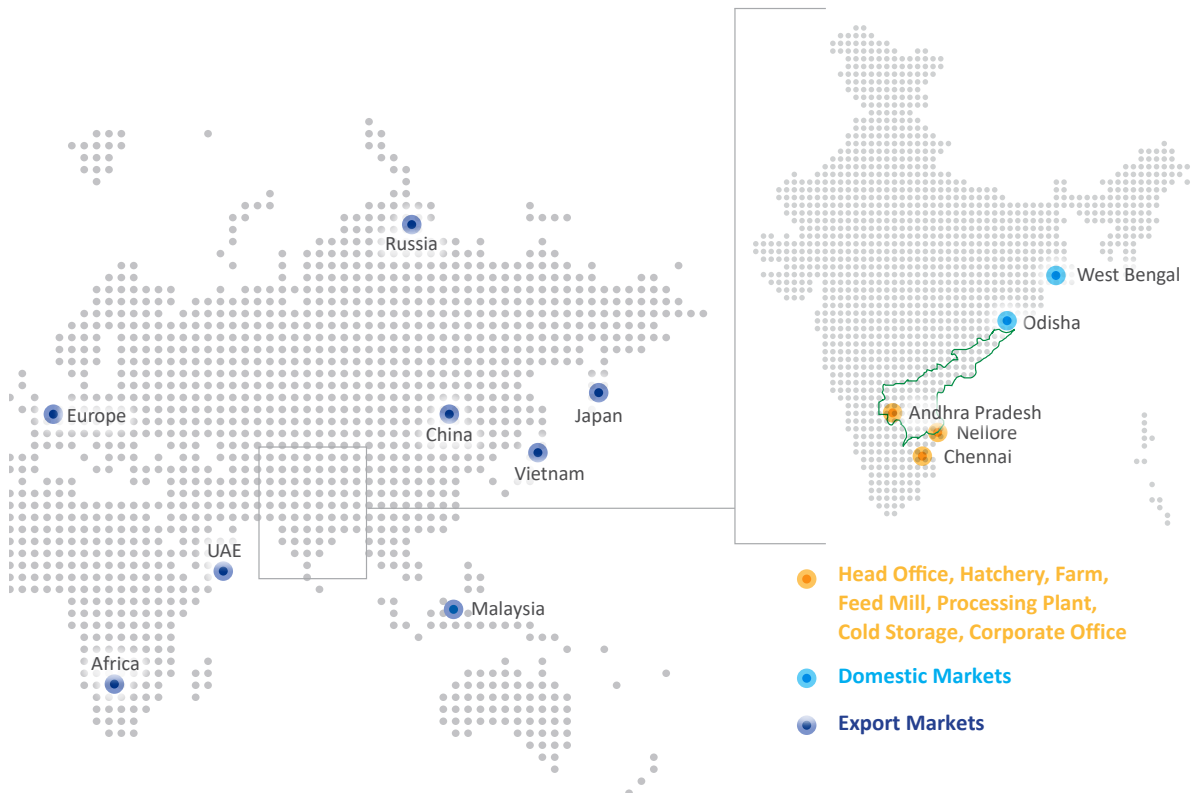
*Map not to scale. For illustrative purpose only.*

supplier. Indian exporters are looking to diversify their products and markets. India's second largest market is China, to which it primarily supplies HLSO blocks used as raw materials for producing value-added products. In the EU, India's third largest market, India is still confronted with stringent antibiotic testing requirements, which makes it difficult to increase its market share. Nevertheless, with Ecuador advancing on India in the US market, India is pushing into other markets to gain market share. In addition to the EU, this includes markets such as Canada, Japan, Russia, and the UK.

## FARMING

The introduction of Vannamei facilitated rapid growth of the industry with production

peaking at 930,000 MT in 2021. Since then, due to oversupply prices decreased and output also stagnated. The farming landscape remains fragmented with little consolidation or integration. Owing to the small-scale and low intensity characteristics of India's shrimp farming systems, technology adoption has been very slow. On an average 75-85% of India's shrimp production, Andhra Pradesh continues to dominate the country's output. While other states, such as Odisha, West Bengal, and Gujarat, have expanded shrimp production over the past decade and still have great potential. However, market conditions play a key role in the progress of producers outside Andhra Pradesh. The main reason for this being the continuous support of the state govt. to a certain extent.





Data from the Marine Products Export Development Authority (MPEDA) suggests that there's at least 174,000 ha under cultivation. It will certainly be more since not all farms are registered with MPEDA.

Estimates of how many jobs every ha of farm creates vary. One source argues that every ha provides one job if it's a small-scale farm and up to 1.3 jobs if it's a larger corporate farm. Each person manages two ponds of approximately 0.5 ha each. On corporate farms there would be other staff as well, such as technicians or cleaners, increasing the number of jobs per ha. Other sources estimate that the number of jobs per ha direct and indirect combined, may even be around 2. Based on these numbers, it's fair to estimate that shrimp farms provide around 200,000 to 300,000 jobs

## HATCHERY

Hatchery segment is the smallest segment of India's shrimp supply chain, responsible for supplying farmers with PL that grow fast and survive well in the Indian context. While the hatcheries segment in India also is fragmented like farming, consolidation is on its way, with some prominent players playing a key role, viz., Sapthagiri Group, Vaisakhi Bios, CP Group, BMR Group, and Golden Marine. New entrants are also limited though there are few exceptions.

A typical hatchery in India employs 20 to 50 workers, averaging around 40 employees per facility.

With about 450-500 hatcheries throughout the country, this segment provides about 18,000-20,000 jobs. The main activities for people working in hatcheries include feeding larval stock, cleaning and preparing tanks,

harvesting spawned PL, and transporting broodstock and PL between different sections of the hatchery. Hatcheries employ primarily men and a mix of skilled and unskilled labour.

## FEED MANUFACTURING

The Indian Shrimp feed market continues to be between 1.1m to 1.3m MT equivalent to \$1.151.25bn. Although the feed segment of India's shrimp industry remains relatively consolidated, the top players are changing with the exception of Avanti Sea Foods contributing to 50% of the market share. The feed companies are challenged with high costs of raw materials and farm production and their inability to pass on inflation costs. Regarding feed ingredients, India has the luxury of a sizeable domestic availability of crucial feed ingredients such as wheat, rice, soy, fishmeal, and fish oil, which may also pose a challenge to the industry. Key markets increasingly require marine ingredients from ecolabel-certified origins or from fisheries that are part of a Fisheries Improvement Program. These certifications have not yet been widely established in India. Therefore, feed companies that want to meet the requirements of overseas markets may have to import more expensive ingredients, resulting in higher shrimp feed price for farmers.

Anecdotal evidence suggests that a 100,000 MT feed mill in India may employ around 55 workers per shift and operate three shifts per day on average. This comes down to 165 workers that are needed daily. Depending on the feed manufacturer's size and business model, the company may also have a sales and technical assistance team acquiring and servicing customers.

With roughly 35 companies active in the feed segment that together operate over 50 feed mills, about 4,000-5,000 people are directly employed in the feed manufacturing segment. Work in a feed mill usually means working under harsh conditions, and most of the workforce consists of young men. Both the technical and sales teams, as well as the mill staff who operate the equipment, carry out skilled labor. Only about a third of the people who work in logistics and support are unskilled.

## PROCESSING

India's Shrimp industry continues to be job provider, especially in a state like Andhra Pradesh. Unlike in other parts of the value chain, 90% of workers in shrimp processing facilities are women. Peeling job in this industry being very delicate, women are more preferred. The more value-added products a processor produces, the more is the requirement for labour. Mostly the workers are migrant workers from the states with low wages.



# Decades Journey with Dedication & Determination

## Hatchery



## Hatchery

- Annual Capacity of 400 million seedlings
- Currently operations shelved and the facility under renovation

## Farming



- Annual Capacity of 2K Tons shrimps
- Around 250 acres of water spread area located on the coast of Bay of Bengal
- Extensive infrastructure for uninterrupted supply of sea water
- Sufficient Bore water sources to cater continuously for optimal mix of salinity and other water parameters
- Upgraded facilities to improve the Testing facilities besides strong R & D.
- Around 500 tons per annum cultivated subject to no virus attack.

## Our extensive product range



### Raw White Shrimp

Raw Head-On Shell-On (HOSO)  
Raw Headless Shell-On (HLSO)  
Raw Headless Easy Peel (EZ-Peel)  
Peeled and De-veined Tail-On (PDTO)  
Peeled and De-veined Tail-Off (PD)  
Peeled and Un-De-veined (PUD)  
Butterfly

### Cooked White Shrimp

Cooked Headless Shell-On  
Cooked Peeled and De-veined Tail-On (CPDTO)  
Cooked Peeled and De-veined Tail-Off (CPD)  
Cooked Peeled and Un-De-veined (CPUD)  
Cooked Head-On

### Shrimp Feed Brands

VANNASTAR  
AQUAASTAR

### Frozen Shrimp Brand

Sharat Star



## Feed Mill



- Annual Capacity of more than 20 K Tonnes seedlings
- Produces High Quality and Nutritional Shrimp Feed
- Marketing is being executed under the own brand of 'VANNASTAR'
- Main ingredients -Fish Meal, De Fat Soya Flour, and Wheat Flour (Maida). Inclusion percentage of Fish meal is 20% De fat soya flour is 35% and Wheat flour (Maida) is 25%.
- Stiff competition pulls down the Demand at present in terms of pricing and we are serving presently for Captive consumption

## Processing



- Plant situated state-of-the-art infrastructure with ultra-modern processing equipment, built in conformity with international standards.
- One of the largest processors and exporters of shrimp in the country
- Annual Capacity of more than 6K Tons of frozen shrimp
- Widely accepted accreditations such as EIA, EU and FDA approvals.
- Best in Class laboratory facilities and rigorous testing procedures ensure that all its processed products are antibiotic free
- Grading, packing and freezing as per statutory norms and customers' specifications.
- Processing all kinds of products for USA, Spain, France, UK, Japan, Russia, UAE etc.

## Quality certifications



- EIC
- HACCP
- FSSC 22000
- BRC - A Grade
- FDA
- BSCI
- BAP 4 Star
- EU approved

# Letter from the Managing Director



Dear Shareholders,

Gratitude is the first, last and most important feeling that I'd like to convey through this message. To our shareholders, we owe our heartfelt appreciation for your confidence in our company. To our associates, we owe our deepest gratitude for helping us register yet another year of sustained performance.

I have been associated with the aqua field for the last 34 years and have witnessed the manner in which the Shrimp Industry has been evolving over the decades. Being the Pioneers in Vannamei culture in India, it gives me immense pride to see how the idea has been embraced by the seafood industry and taken forward, increasing shrimp production in the country by leaps and bounds. The State of Andhra Pradesh continues to be a significant player in Shrimp production for India, accounting for 70% of India's shrimp output. From a volume of less than 200,000 MT worth just over \$1bn in 2010, the Shrimp Industry's exports peaked in 2021, driven by strong retail demand in the US and other overseas markets. Shrimp became India's most valuable seafood export product.

From 2012-2019, shrimp exports recorded a 19% compound annual growth rate (CAGR). In 2020, exports temporarily dropped amidst Covid related

logistic challenges. In 2021, however, the export volume saw a 28% surge, and the industry was back on its growth trajectory. At the end of 2023, average export prices were just above the level of 2020, when the supply chain, triggered by COVID-19 disruptions, caused panic harvests. If we would adjust these prices for inflation, today's Shrimp prices are at its lowest. India's shrimp exporters mainly depend on the US market. From 2013, the dependency grew to almost 50% before dropping to about 40% in 2022 and 2023. During the same decade, exports to China and Vietnam grew. While India remains the USA's Largest shrimp supplier, Ecuador is increasing its market share. A segment where India has made its mark over the years is the ready to eat product segment which continues to be the focus of Sharat Industries as well. India's market share went up from 30% in 2019 to 41% in 2023.

Despite multiple challenges such as the anti-dumping duty imposed by the US, steep increase in freight costs, increased production in other shrimp producing countries impacting the export margins, the seafood Industry in India is poised for a steady and significant growth, owing to the increasing demand and recognition of the nutritional value of shrimp. In addition, the slew of measures announced by the Government of India in the Union Budget for 2024, augur well for the industry. The IMARC Group expects the market to reach US\$ 20.9 Billion by 2032, exhibiting a growth rate (CAGR) of 10.6% during 2024-2032. Fortune Business Insights says that the global market size was USD 40.35 billion in 2023, and is projected to reach USD 74.24 billion by 2032.

It is exciting to be in this industry. We are at an important strategic and financial inflection point. We seek your continued support to strengthen our presence in the industry, and forge stronger ties with our customers and associates.

**With warm regards**  
**Prasad Reddy Sabbella**  
**Managing Director**





# Letter from the Executive Director



Dear Shareholders,

When we embark on a long journey, there are phases where we slow down, recoup our energy, and strive forward with renewed conviction. Over the past three decades, your company has navigated numerous business cycles, each with its own set of challenges and opportunities. Throughout this journey, our unwavering resilience and steadfast commitment to our shareholders and employees have remained constant. As we reflect on the financial year 2023-24, it is clear that while the aquaculture sector faced significant hurdles, your company continued to stand strong. I am proud to report that despite the obstacles, we have delivered a steady performance.

The past year has been characterized by significant global economic uncertainties, which have profoundly affected various sectors, including seafood. According to the International Monetary Fund (IMF), inflation rates surged globally in 2023, with many economies experiencing rates above 6%, a significant increase from pre-pandemic levels. This inflationary pressure has contributed to a broader economic slowdown, with several major

economies, including those in Europe and North America, facing recessionary risks.

In the seafood sector, these macroeconomic factors have been particularly impactful. Data from the Food and Agriculture Organization (FAO) indicates that while India's seafood export volumes increased by approximately 4% in the fiscal year 2023-24, the value of these exports experienced a contraction of nearly 10%. This discrepancy highlights a broader trend of declining prices despite rising volumes, attributed to oversupply issues and weakened demand in key markets.

Geopolitical tensions have also exacerbated these challenges. The World Trade Organization (WTO) reported disruptions in global supply chains due to ongoing trade disputes and conflicts. Notably, the escalation of geopolitical tensions in regions such as the Red Sea has led to increased logistics costs and delays, affecting seafood transportation and supply chains worldwide.

Moreover, the global shrimp market has been particularly volatile. The FAO reported a substantial increase in global shrimp supply, driven largely by expanded production in countries like Ecuador. This oversupply has outpaced demand growth, leading to a significant reduction in shrimp prices. According to the Global Shrimp Market Report, prices for shrimp fell by 8-12% over the past year due to this imbalance.

Additionally, domestic challenges in India have compounded these issues. The Indian government's Department of Fisheries reported that unpredictable weather patterns and rising input costs, such as feed and energy, have adversely impacted local shrimp farming. These factors have driven up prices at the farm gate level, further squeezing profit margins for producers.

In summary, the combination of global economic instability, geopolitical disruptions, and market oversupply has created a challenging environment for the seafood industry. Despite these challenges,

I am pleased to report that your company has maintained a steady profit this year. Our integrated supply chain has been crucial in optimizing input costs. Additionally, our dynamic sales policy has ensured a diverse export market, both in terms of product range and geography. This strategic approach has played a key role in maintaining a stable EBITDA and positioning us for future growth.

### Future Outlook

As we look to the future, we remain steadfast in our commitment to build on our strengths and navigate the evolving market landscape. We believe that collaborative partnerships are crucial for long-term progress, especially in these volatile times. To this end, we are actively working on forging collaborative relationships with forward-thinking and dynamic peers. These collaborations are designed to leverage collective expertise and drive innovation, positioning us to better respond to market shifts and opportunities.

Additionally, we are excited to announce that we are undertaking a brand refresh to align with our vision and market demands. This initiative is aimed at showcasing our fresh perspectives and reinforcing our commitment to staying ahead of industry trends. By revitalizing our brand, we intend to enhance our market presence and further connect with our stakeholders.

In addition, the Indian Budget for 2024-2025 has introduced several policies designed to give the aquaculture sector a significant boost. The government has announced financial support for setting up a network of Nucleus Breeding Centres for Shrimp Broodstock. This initiative aims

to enhance the industry's breeding capabilities and overall productivity. Additionally, the Budget includes a reduction in Basic Customs Duty on Broodstock, Polychaete worms, Shrimp, and Fish Feed to 5%, and an exemption from customs duty on various inputs for manufacturing Shrimp and Fish Feed. These measures are expected to reduce operational costs for producers and stimulate growth in the sector.

Our focus on technological advancements will also be central to our growth strategy. We are investing in cutting-edge technologies and data analytics to enhance our operational efficiency and sustainability. These initiatives are expected to drive significant improvements in our business processes and product offerings.

We are confident that these strategic efforts, combined with supportive government policies, will enable us to overcome future challenges and seize new opportunities. By continuously adapting to the changing landscape and leveraging our partnerships and technological investments, we are well-positioned to achieve sustained growth and success.

In closing, I would like to reiterate my heartfelt thanks to each of you—our valued shareholders, dedicated employees, trusted partners, and loyal customers. Your support has been crucial to our continued success. Together, we will chart a course toward a prosperous future, driving innovation and growth while upholding our commitment to excellence.

Warm regards,  
**Sharat Reddy Sabbella**  
Executive Director





The background image shows a laptop screen with several data visualizations. On the left, a bar chart shows 'Profit' over time, with a 'Total Profit' of \$4,529. In the center, a line chart shows 'Customers' with a value of 3,383. On the right, another line chart shows 'Orders' with a value of 12K. Below these, there's a world map and a bar chart showing 'Revenue by country'. At the bottom, a bar chart shows 'Revenue by payment method' with categories like Bank Transfer, Credit Card, and Debit Card. A hand is visible on the right, holding a pen and pointing at the laptop screen. A semi-transparent white triangle is overlaid on the left side of the screen, containing the text 'Statutory Reports and Financial Statements'.

# Statutory Reports and Financial Statements

## Management Discussion and Analysis

### Global Economic Review

As per the International Monetary Fund (IMF), Global economy continues to display remarkable resilience with inflation declining steadily and growth holding up. The chance of a soft landing as increased. But the pace of expansion remains slow and risks remain,” Gourinchas told reporters.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China.

The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth.

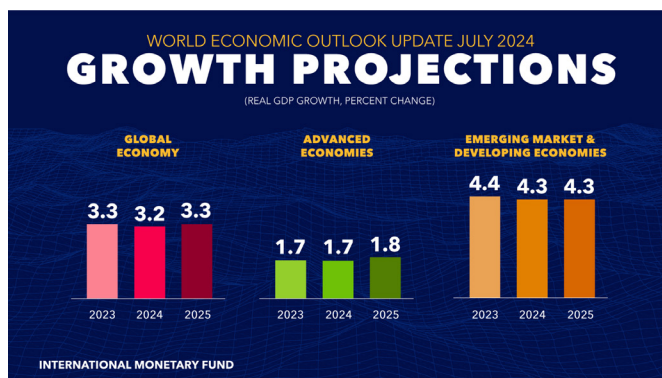
With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced.

“Back in beginning of 2023, there were a preponderance of risks to the downside for economic activity and to the upside for inflation. We were seeing maybe inflation being very persistent, that there were a lot of concerns about the fact that the fight against inflation would potentially bring a recession. And one year later, we are in a situation where growth has held steady and inflation has been coming down. So that’s certainly a very good development,” said the Fund’s chief economist.

Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

<https://mediacenter.imf.org/news/imf-world-economic-outlook-update/s/396fed6d-7b53-4e82-8a37-626cbcc83d69>

### Gross Domestic Product (GDP) Growth



Source: World Economic Outlook Report

## OUTLOOK

The global economy is expected to remain uncertain throughout 2024. The World Economic Forum's latest Chief Economists Outlook finds that just over half of chief economists anticipate the global economy to weaken this year.

Seven in 10 expect the pace of geoeconomic fragmentation to accelerate in 2024.

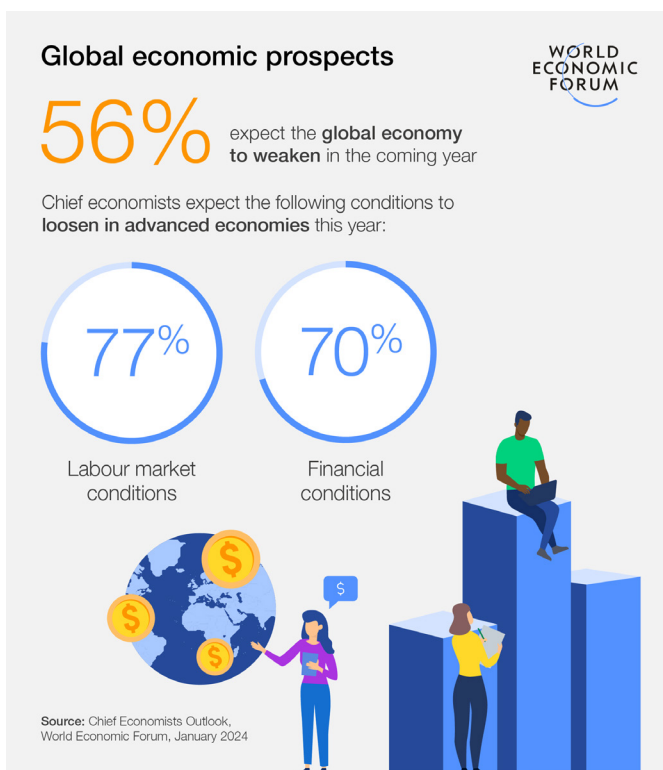
Uncertainty continues to be the name of the game for the economy in 2024.

For some economists, the global economy still looks rocky and could weaken further over the next year. But an only marginally smaller group foresees a steadying or improving economic outlook, according to the World Economic Forum's January 2024 Chief Economists Outlook.

These clouds of uncertainty over the economic outlook have been a recurring theme over the past year. And with global economic activity remaining slow, financial conditions remaining tight and geopolitical tensions growing, much of the volatility is likely to remain this year.

The International Monetary Fund (IMF) forecasts a slight decline in global growth to 2.9% in 2024, down from 3% in 2023. However, much of this growth is made up of emerging markets activity, while growth in advanced economies remains tepid.

This said, inflation expectations have been pared back from their high levels across all regions. Economists also expect labour markets and financial conditions to loosen over the course of 2024.



Economists are divided over the performance of the economy in 2024. Image: World Economic Forum

### **Goeconomic fragmentation**

An area that does unite economists is the ongoing impact of geopolitical tensions, with almost seven in 10 saying that the pace of goeconomic fragmentation will accelerate in 2024.

This is likely to stoke volatility in the global economy and stock markets in the next three years, the majority of economists believe. The experts also foresee an increase in localization, the strengthening of goeconomic blocs and a widening divergence between the Global North and South over the next three years.

According to the IMF, potential loss in global economic output from increased trade restrictions could reach up to 7%, with low-income economies likely to bear a significantly greater cost – potentially reaching 4% of GDP – compared to advanced economies.

<https://www.weforum.org/agenda/2024/01/economic-outlook-2024-recession-inflation/>

### **Indian Economic Review**

India's real GDP is projected to grow between 6.5–7 per cent in 2024-25. The Indian economy recovered swiftly from the pandemic, with its real GDP in FY24 being 20 per cent higher than the pre-COVID, FY20 levels.

Economic survey points out that the domestic growth drivers have supported economic growth in FY24 despite uncertain global economic performance. It also adds that during the decade ending FY20, India grew at an average annual rate of 6.6 per cent, more or less reflecting the long-run growth prospects of the economy.

The Survey, however cautions that any escalation of geopolitical conflicts in 2024 may lead to supply dislocations, higher commodity prices, reviving inflationary pressures and stalling monetary policy easing with potential repercussions for capital flows. This can also influence RBI's monetary policy stance. The global trade outlook for 2024 remains positive, with merchandise trade expected to pick up after registering a contraction in volumes in 2023.

The Survey highlights that leveraging the initiatives taken by the government and capturing the untapped potential in emerging markets; exports of business, consultancy and IT-enabled services can expand. Despite the core inflation rate being around 3 per cent, the RBI, with one eye on the withdrawal of accommodation and another on the US Fed, has kept interest rates unchanged for quite some time, and the anticipated easing has been delayed.

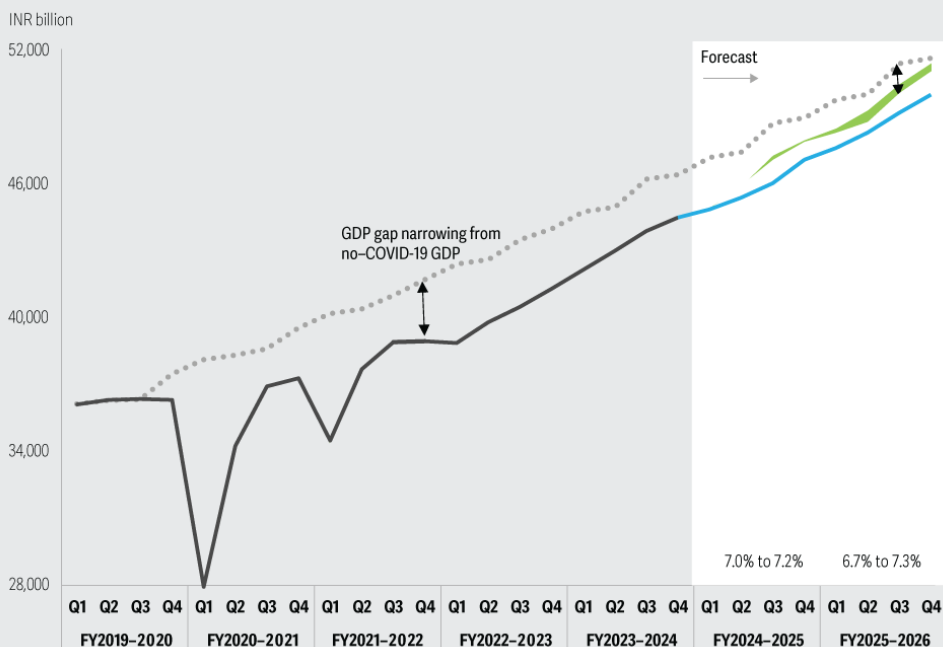
The Economic Survey says that India's economy showed resilience to a gamut of global and external challenges as real GDP grew by 8.2 percent in FY 24, exceeding 8 percent mark in three out of four quarters of FY 24, driven by stable consumption demand and steadily improving investment demand.

Figure 2

# **India is poised to grow rapidly in the medium term and its GDP will soon catch up to no-COVID-19 levels**

Real GDP (seasonally adjusted, level values)

— Scenario 1: Optimistic    ... No-COVID-19 growth    — Scenario 2: Pessimistic



Note: No-COVID-19 growth is assumed to be between 5.5% and 6% year over year.

Sources: Centre for Monitoring Indian Economy; Deloitte analysis.

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)

## **Industry Review**

The OECD-FAO Agricultural Outlook 2024-2033 provides a comprehensive analysis of the ten-year prospects for agricultural commodity and fish markets at national, regional, and global levels. The Outlook has been produced jointly by the OECD and FAO for 20 years, in collaboration with their Members and international commodity organisations. It serves as a structured reference for policy planning, especially in the context of the recent global COVID-19 pandemic, rising geopolitical tensions and the increasing impact of climate change. This 20th joint Agricultural Outlook reflects on the evolution of global agriculture over the past two decades and provides projections through to 2033.

The last 20 years have seen the consumption of agricultural commodities expand, driven mainly by population and income growth in low- and middle-income economies. These countries have also rapidly increased their production through technology and innovation advances, and by increasing the use of their natural resources. The resulting shifts in agricultural production and consumption locations have led to changes in international agricultural trade patterns.



The Outlook baseline projections suggest that the influence of the People's Republic of China (hereafter "China"), India and Southeast Asian countries on global agrifood systems will continue to grow over the coming ten years. However, while China contributed 28% of global consumption growth in the previous decade, its share of additional demand over the coming decade is expected to fall to 11%, attributed to a stabilisation of nutrition patterns, slower income growth and declining population. Conversely, India and Southeast Asian countries are expected to account for 31% of global consumption growth by 2033, driven by their growing urban population and increasing affluence.

Total use of agricultural and fisheries products is projected to grow by 1.0% annually over the next decade, located largely in low- and middle-income countries. Global food consumption is projected to increase by 1.2% annually due to population and income growth. In most regions, the growth of feed use of crops is expected to outpace growth in direct food use, driven by the projected shift to higher shares of animal-derived foods in diets and the resulting expansion and intensification of livestock production.

In middle-income countries, average daily per capita calorie intake will increase by 7% by 2033, driven by greater consumption of staples, livestock products and fats. In low-income countries average calorie intake is expected to grow by only 4%, indicating that the global community will fail to achieve the Sustainable Development Goal (SDG) 2 target of eliminating hunger by 2030. Income constraints in these countries are also hampering the transition to more nutrient- and protein-rich diets based on animal products, fish and seafood, vegetables and fruits, leading to a continuing heavy reliance on staples. Dietary preferences in high-income countries reflect growing concerns over the links between diets, health and sustainability, as evidenced by a slightly declining intake of fats and sweeteners, as well as shifting and stabilising protein intake over the coming decade.

### Summary of key messages

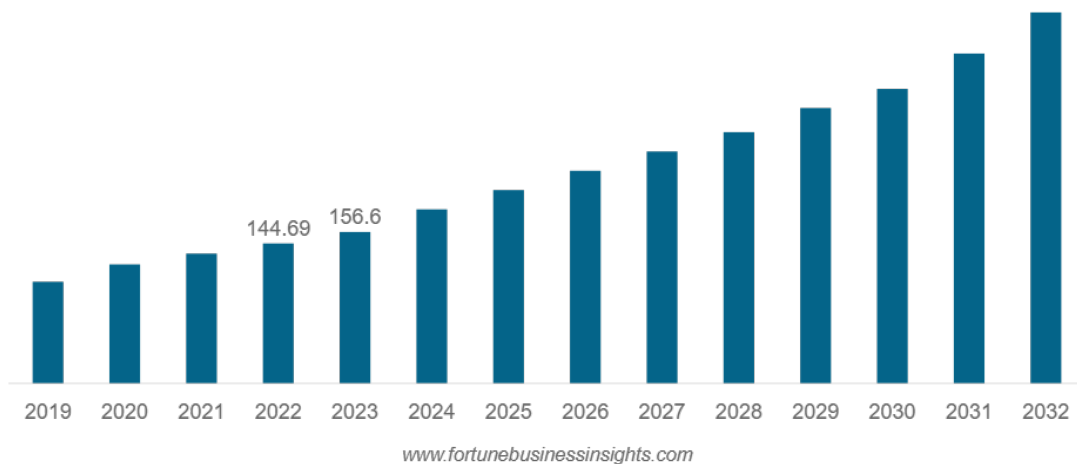
- Emerging economies have increasingly driven global agricultural and fisheries market developments over the last 20 years and are expected to continue to do so over the next decade.
- The role of the People's Republic of China in driving global food and agricultural consumption is waning, whilst India and Southeast Asia are expected to gain influence, driven by their growing urban populations and increasing affluence.
- Calorie intake is expected to increase by 7% in middle-income countries, largely due to greater consumption of staples, livestock products and fats. Calorie intake in low-income countries will grow at 4%, too slowly to achieve the Sustainable Development Goal target of zero hunger by 2030 (SDG2).
- Agriculture's global greenhouse gas (GHG) emissions intensity is expected to decline, as growth will be based on productivity improvements rather than cultivated land and livestock herd expansions, although direct emissions from agriculture will still increase by 5%.
- Halving food loss and waste has the potential to reduce global agricultural GHG emissions by 4% and the number of undernourished people by 153 million by the year 2030.
- Well-functioning international agricultural commodity markets will remain important for global food security, as 20% of calories are traded and rural livelihoods can benefit from participation in markets and global agrifood value chains.
- A slight fall in real international reference prices for main agricultural commodities is projected over the next ten years but this may not be reflected in local retail food prices

AgriOutlook24\_ExecSum\_EN\_FINAL.pdf (agri-outlook.org)

## Global Seafood Industry

The global seafood market size was USD 358.68 billion in 2023 and is projected to grow from USD 386.73 billion in 2024 to USD 837.17 billion by 2032, exhibiting a CAGR of 10.14% during the 2024-2032 period. Asia Pacific dominated the seafood market with a market share of 43.66% in 2023.

**Asia Pacific Seafood Market Size, 2019-2032 (USD Billion)**



The market is experiencing rapid growth owing to the rising per capita consumption, increasing disposable income, and growing consumer inclination toward pescetarianism across the globe.

Over the years, a drastic shift has been observed in the consumption pattern of individuals toward a healthy diet, influencing the changes in consumer preferences. The seafood market share in the food industry is expected to increase in the upcoming years, as individuals mainly prefer seafood-based products over poultry and beef due to the equivalent amount of protein with lower calories. Such shifting consumption patterns will fuel market growth.

The seafood industry is reaching new heights in every part of the world in terms of production, supply, and consumption. The consumption of fish and other products is rapidly growing due to rising awareness about the importance of seafood-based products and changing lifestyle patterns. Since most countries experienced the lockdown effects, a shortage was observed in the production capacity due to the closure of production plants and reduced purchasing power of the consumers. However, the market found its pace in the latter half of the year 2020 as the consumers focused on seeking convenient and nutritionally rich products in their day-to-day diet more than ever. Moreover, increase in home cooking in the pandemic phase facilitated the incorporation of such products in various cuisines, which further improved the growth potential.

In recent years, the rising trend for premium and luxury products is gaining prominence owing to the growing health benefits, rising healthy eating habits of consumers, and escalated income earnings. The industry has faced numerous challenges in order to sustain their position in the market and thus, the products with strong nutritional score and lowest climate impact should be highly promoted for consumption. Besides this, advancements in the packaging technologies such as active food packaging,

vacuum packaging and modified atmosphere packaging (MAP), also plays an important role in sustaining the quality attributes of the products. Such techniques further helps in preserving and controlling the growth of food pathogens in the fishery products and others. Moreover, in order to fulfill the rising demand of variety of seafoods, the countries are intensively working towards producing sufficient amount of products across the market. For instance, China's processors and farmers increasingly focus on domestic demand, while Western and other Asian producers supply species such as salmon, scallops, and lobster to consumers in China.

Source: <https://www.fortunebusinessinsights.co> Seafood Market Size, Share, Growth | Industry Report [2032] (fortunebusinessinsights.com)

### Global Shrimp Market

The global shrimp market size was USD 40.35 billion in 2023 and is projected to grow from USD 42.90 billion in 2024 to USD 74.24 billion by 2032 at a CAGR of 7.09% during the 2024-2032 period. Asia Pacific dominated the shrimp market with a market share of 38.22% in 2023.

Innovations in the seafood sector have been continuously growing in the last few years. Advancements in newly invented technology and the entrance of market players in the commercial seafood farming sector would boost the growth of the industry. Moreover, sustainability and growth of the seafood supply are also being considered more than ever before. These trends are expected to create significant changes and offer lucrative opportunities in how seafood is harvested and marketed during the analysis period .

Asia-Pacific is the leading producer of shrimps in the world. One of the world's largest decapod crustaceans producers, India faced challenges related to pond seeding. The pond seeding process, which usually occurs in March and April months, was delayed to May and June due to the lockdown imposed in the country, and as a result, the harvest was witnessed in August/September months.

### SHRIMP MARKET GROWTH FACTORS

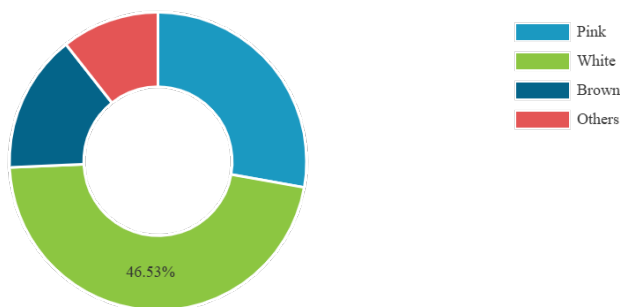
- Sustainable Seafood Choices and More Focus on Adding High Protein Drive Market Growth
- Globalization of Regional Products and the Rise of Online Sales
- Trade War between Developed Economies Restrains the Growth of the Market

### TYPE OF SHRIMPS

Based on type, the segment includes pink, white, brown, and others. The white segment dominates the market owing to its wide acceptance and favoritism in almost all regions. Also, it contains a high amount of proteins and vitamins that make it a great source of alternative proteins.

White shrimps are also known for their other nutritional benefits, such as calcium, magnesium, and phosphorous. In addition, they are also known to help in cancer prevention. They contain a high amount of omega-3 fatty acids, which provides DHA and EPA useful for a healthy brain, lower cardiovascular risks, and prevent heart disease and cancer. White shrimps also provide selenium which is useful in fighting against radical effects that cause cancer. The growing demand for white shrimps from developing nations is also expected to boost the market size of the global.

Global Shrimp Market Share, By Type, 2023



www.fortunebusinessinsights.com

## Prices

Normally, prices of farmed shrimp in Asia adjust during the main production period (May to September) and stabilise by October. This year, however, shrimp prices started to fall from mid-September in the international trade to unprofitable lows for farmers amidst the rising costs of aquaculture inputs.

<https://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/1633618/>

Aquaculture is one of the fastest growing form of food production in the world. Shrimp dominates aquaculture production by value. The global Shrimp market is estimated to be worth US\$ 56.5 billion in 2022 is forecasted to grow to US\$ 75 billion by 2028 growing at a CAGR of 4.8% during the review period 2022-28 (Source: Industry Research). Global shrimp production has continued to trend upward and is expected to exceed 5.01 million metric tons (MT) in 2022, a significant increase over the 4.57 million MT grown in 2021, which itself was an increase over the 4.09 million MT produced in 2020, showing consistent growth (Source: Seafoodsource.com). In US, 275 million pounds of shrimp was sold to foodservice channels in 2021, up by 50 million pounds from 2020 (Source: Seafoodsource.com & National Fisheries Institute Global Seafood Market Conference, US, January 2022).

Globally, Asian countries produce the most shrimp – roughly 65% of the world's shrimp comes from the region. That's followed by the Americas, which produce around 30%. However, the real acceleration in the Americas, is primarily on account of Ecuador which produced more than 1 million MT in 2021. The International shrimp trade remained steady despite, sharp surge in freight costs from Asia to North America for 20-foot and 40-foot containers (shot up by 500-700% (at USD 13,000 and USD 20,000 respectively) owing to persistent shortages of frozen food containers given increased imports, particularly in the western markets (Source: FAO).

## Indian Seafood and Shrimp Industry

India's seafood exports achieved a record high in volume for the financial year 2023-24, overcoming challenges in major export markets like the USA, EU, and the UK. The country exported 1,781,602 metric tons (MT) of seafood worth ₹ 60,523.89 crore (US\$ 7.38 billion), a 2.67% increase in quantity from the previous year, although the value showed a slight decline from ₹ 63,969.14 crore (US\$ 8.09 billion) in 2022-23.

## Leading Export Items and Markets

Frozen shrimp continued to be the top export item, both in quantity and value. During FY 2023-24, India exported 716,004 MT of frozen shrimp, earning ₹40,013.54 crore (US\$4.88 billion), which accounted for 40.19% of the total export quantity and 66.12% of the total earnings in US dollars. The United States and

China remained the largest markets for Indian seafood, with the USA importing 297,571 MT of frozen shrimp, followed by China with 148,483 MT.

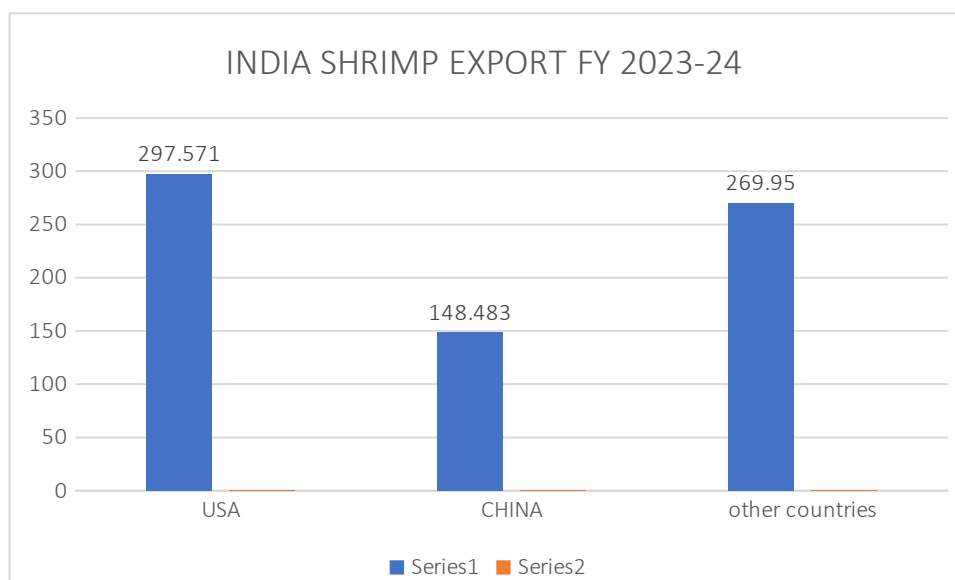
The export of black tiger (BT) shrimp saw significant growth, increasing by 24.91% in quantity, 11.33% in value (₹), and 8.28% in US\$ terms. A total of 38,987 MT of black tiger shrimp worth ₹2,855.27 crore (US\$347.84 million) was exported, with China, including Hong Kong, being the major destination, followed by the USA, the European Union, and Japan.

Scampi exports also showed a positive trend with increases of 6.42% in quantity, 23.22% in value (₹), and 18.96% in US\$ terms. Conversely, Vannamei shrimp exports grew by 0.33% by volume but declined by 11.56% in US dollar terms.

### Indian Shrimp Export - Country-wise

Frozen Shrimp Export	FY 2023-24 (In Thousand MT)	% Market share
USA	297.571	41.56%
CHINA	148.483	20.74%
Other Countries	269.95	37.70%
TOTAL	716.004	100.00%

Source: India's seafood exports reach record high in FY 2023-24 (indianewsnetwork.com)



### Indian Aquafeed Industry

The Shrimp Feed consumption in India decreased to 11 Lakhs MTs in Financial year 2022-23 as compared to 12 Lakhs MTs in Financial year 2022. The forecast is that the consumption would further decrease by about 10%-15% in financial year 2023-24. With favourable climatic conditions, presence of significant biodiversity, and



strong demand for Indian seafood market, the Indian aquaculture industry has witnessed exponential growth over the years. This, in turn, has created a significant demand for production and consumption of aquafeed.

### **Increasing Cost of Raw Materials**

The feed business profitability is highly dependent on fluctuating raw material prices as the increase in feed price being in line with increase in inputs is not workable, since most of the time, the cost of the feed major input for Shrimp culture for the farmer and the price beyond a certain level becomes un-affordable to the farmer to continue the Shrimp Culture. Therefore, the Feed producer should exercise utmost care in resorting to increase of Feed price. The other important factor is farm gate price of shrimps which determines the profit margin for the farmer, which ultimately is determined by the Processors depending on international prices. In a nut shell, the raw material prices for feed manufacture play a vital role in this Industry.

### **Growth drivers for Indian shrimp feed market**

Rising Indian shrimp demand in the global markets

Rising awareness among farmers regarding higher shrimp production while improving their nutrient profile

Commercial feed facilitating shrimp production that meets international quality standards and thereby increase quality of shrimp for export

Implementation of modern production technologies enabling domestic shrimp producers to formulate better quality shrimp feed with locally produced raw materials

Backed by the structurally positive tailwinds, Indian shrimp feed industry is estimated to deliver a compounded annual growth rate of 10% during FY 2019-24, reaching production of 1.8 million tonnes by FY 2024.

### **Company Overview**

Establishing its roots back in 1990, Sharat Industries Limited (the Company) stands as India's oldest integrated aquaculture company. It pioneered Vannamei (white shrimp) breeding and culture in India which played a pivotal role in reviving the country's aquaculture industry. Today, it has operations across the entire value chain of the shrimp industry and offers world-class products through its four business divisions.

### **Business Divisions and Offerings**

<b>Business Divisions</b>	<b>Capacity</b>	<b>Product Offerings</b>	<b>Unique Features</b>
Hatchery	400 Million Seedlings / Annum	Vannamei seedlings	Specific pathogen-free (SPF) broodstock are used to ensure the best quality and disease-resistant seedlings
Shrimp Farming	2,000 Tonnes Shrimp/Annum	500 acres of land located on the coast of the Bay of Bengal	Proximity to sea and well-planned interlocking canals ensure uninterrupted seawater supply
Shrimp Feed	20,000 Tonnes/ Annum	Brand VANNASTAR	High quality and nutritional shrimp feed widely accepted by farmers
Shrimp Processing	7,500 Tonnes Frozen Shrimps/ Annum	13 varieties of raw and cooked shrimp products	The state-of-the-art plant equipped with sophisticated processing equipment. Ensures antibiotic-free and high quality processed products

## Operational Review

## Geographical Performance

(Rs. In Cr)

Particulars	FY 2024	FY 2023
Revenue from Shrimp Export	290.49	319.88
Revenue from Domestic Operations	11.67	12.66
<b>Total</b>	<b>302.16</b>	<b>332.54</b>

## Financial Performance

## Key Financial Highlights for the Year

(Rs. in Cr)

Particulars	FY 2024	FY 2023
Total Revenue	302.75	336.01
Total Expenses	295.09	326.92
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA)	21.74	21.91
Profit after Tax (PAT)	5.87	6.54

## Details of significant changes in key Financial Ratios

Ratio	FY 2024	FY 2023	Significant Change compared with previous year i.e. 25% or more	Detailed Explanation for significant change
Current Ratio	1.42	1.39	NA	NA
Debt-Equity Ratio	1.66	1.71	NA	NA
Debt Service Coverage Ratio	1.58	1.35	NA	NA
Inventory Turnover Ratio	3.77	4.45	NA	NA
Trade Receivables Turnover Ratio	4.99	5.44	NA	NA
Trade Payables Turnover Ratio	16.96	16.55	NA	Na
Net Capital Turnover Ratio	6.83	8.45	NA	NA
Net Profit Ratio	1.9%	2.0%	NA	NA
Return on Capital Employed	17.8%	18.8%	NA	NA

## Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	2023-24	2022-23
Return on Net worth	7%	8.3%

The Company's return on net worth has minor changes due to change in sales in spite of deliveries to utilising export opportunities, sustainable practices enhancing market reputation, efficient disease management ensuring better production outcomes and accumulation of retained earnings over the specific period by the Company.

Diseases arising every year in shrimp farming, technological advancements, seamless information sharing, modern farming techniques, and improved quality of feed are reducing their risk levels. Improving shrimp safety and quality are expected to result in higher product offtake and enable superior product pricing.

**Proactive policy support by the government:** The central government and Andhra Pradesh government have introduced various schemes, benefits to exporters and farmers, and subsidies to promote aquaculture, food processing, and cold chain infrastructure. These are expected to benefit the entire value chain of the Indian shrimp industry. This will assist in accelerating the industry's exports and significantly enhance its global competitive position.

**Benefits of adhering to sustainable practices:** The integrated nature of the Company's operations and strict adherence to sustainable farming and food processing enables it to produce safe and high quality shrimp products. This consequently helps in fetching premium valuation for its products in exports market, resulting in superior profitability.

**Growth in shrimp farming activity:** Leveraging the vast coastline of the country and suitable business conditions, shrimp farming areas are witnessing rapid growth in India. This, in turn, is creating a substantial growth potential for the shrimp feed market.

**Increasing domestic consumption:** Rising popularity of the frozen shrimp in the Indian domestic market along with the rapid increase in cold chain facilities across the country is expected to increase shrimp demand.

## SWOT ANALYSIS

STRENGTHS	AREAS FOR IMPROVEMENT
<ul style="list-style-type: none"> <li>Pioneer in Shrimp Processing</li> <li>Seamless Integrated Operations</li> <li>Strong Farmer Network</li> <li>Extensive Product Range</li> <li>Exploring New Export Markets</li> <li>Export Certifications &amp; Accreditations</li> </ul>	<ul style="list-style-type: none"> <li>Constant increase in Cost of Production/Processing</li> <li>Regulations on Raw material pricing</li> <li>Govt Support on Power/Fuel tariffs</li> <li>Increase in Ocean Freight</li> <li>Shrimp prices in global market</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>Increase in seafood consumption globally</li> <li>Increasing awareness on seafood as source of Protein</li> <li>Seafoods seen as an alternate for Red meat</li> <li>Demographic advantages of India</li> <li>Increasing support from MPEDA</li> <li>Recent announcements by the Central govt. in support of Shrimps processing industries</li> </ul>	<ul style="list-style-type: none"> <li>Change in Climate</li> <li>Ongoing concerns on diseases in cultivation</li> <li>Need to increase Bio security</li> <li>Increasing duties and other costs such as Ocean freight</li> </ul>

## WAY FORWARD

1. Exploring new export markets for both shrimp feed and shrimp exports
2. Addressing the issues/challenges impacting the Shrimps processors to mitigate their impact on its operations.

3. Leveraging the domestic consumption and markets. Recognizing this need proactively working on product innovations besides exploring new distribution channels, embracing e-commerce and home deliveries, and optimizing supply chains.
4. Embarking into collaborative approach to widen and strengthen the customer and supplier base.
5. Implementing automation to the extent possible

The Company also employs customer buyback initiatives and a merchant exporter model to address customer default and operational risks. It remains vigilant regarding external factors such as inflation, trade restrictions, and disruptions. To ensure sustainable growth, Sharat Industries pursues diversification into the domestic market, implements traceability systems, and invests in research and development to develop disease-resistant varieties and improved feed formulations. Through these measures, the company seeks to mitigate risks and promote long-term growth in the aquaculture sector.

### Human Resources

The total number of employees as on 31<sup>st</sup> March, 2024 are 150. The Company acknowledges the significance of human resources in achieving its long-term business goals. Keeping cognizance of this, it has developed a comprehensive set of policies that promote a safe, conducive and productive work environment while ensuring growth opportunities based on meritocracy. This has enabled the Company to build a strong and dedicated workforce. The Company ensures equal access to opportunities in the areas of recruitment, training, career development and advancement regardless of their gender, age, racial/ ethnic background, religion or social status.

The Company continually conducts training programmes at its facilities with the assistance of external experts and agencies. Employees are updated on best practices that are followed across each business division through regular external programmes. Frequent audits for high-quality certification for each facility ensures that the Company is abreast with the latest requirements of the aquaculture industry.

### Internal Control Systems and their Adequacy

The Company has adequate and well-defined internal control systems for all its operational and financial functions. It ensures proper maintenance of accounting records, reliable financial reporting and safeguards assets against unauthorised use or disposition and that all transactions are properly authorized recorded and reported correctly. The internal controls are reviewed periodically by internal auditors and the management team, ensuring timely compliance with regulations and accurate monitoring of its adequacy. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

### Cautionary Statement

This Management's Discussion and Analysis (MD&A) section is included to adhere to the code of Corporate Governance approved by the Securities and Exchange Board of India ("SEBI"). Though, utmost care has been taken to ensure that the opinions expressed by the Management herein contain its perceptions on most of the important trends having a material impact on the Company's day-to-day operations, no representation was made that the following presents an exhaustive coverage on and of all issues related to the same. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or statements expressed in this report.

## BOARD'S REPORT

Dear Shareholders,

Your Director are pleased to present their Thirty-Fourth (34<sup>th</sup>) Annual Report on the business and operations of your Company along with the audited financial statements, both standalone and consolidated, for the financial year ended 31<sup>st</sup> March 2024.

### 1. FINANCIAL HIGHLIGHTS:

Description	Standalone (Rupees in lakhs)		Consolidated (Rupees in lakhs)	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Revenue from Operation	30215.92	33253.83	30215.92	33253.83
Other Income	58.77	346.89	58.77	346.89
<b>Total Income</b>	<b>30274.69</b>	<b>33600.72</b>	<b>30274.69</b>	<b>33600.72</b>
Cost of Materials Consumed	24370.26	25363.90	24370.26	25363.90
Changes in Inventory	(1418.75)	(859.06)	(1418.75)	(859.06)
Employee Benefit Expenses	720.69	765.54	720.69	765.54
Finance Cost	938.78	858.68	938.78	858.68
Depreciation and Amortization	469.50	424.03	469.50	424.03
Other Expenses	4428.29	6138.92	4428.29	6138.92
<b>Total Expenses</b>	<b>29,508.77</b>	<b>32,692.02</b>	<b>29,508.77</b>	<b>32,692.02</b>
<b>Profit before Tax &amp; Exceptional Items</b>	<b>765.92</b>	<b>908.69</b>	<b>765.92</b>	<b>908.69</b>
Share of Profit/(Loss) from Associate	-	-	-	(4.90)
Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>765.92</b>	<b>908.69</b>	<b>765.92</b>	<b>903.79</b>
Tax Expenses	178.62	254.27	178.62	254.27
<b>Profit after Tax</b>	<b>587.30</b>	<b>654.42</b>	<b>587.30</b>	<b>649.52</b>
Earnings Per Share	-	-	-	-
Basic	2.46	2.69	2.46	2.67
Diluted	2.46	2.69	2.46	2.67

### 2. SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS:

The turnover of the company for the year ended 31<sup>st</sup> March, 2024 was ₹ 30,215.92 Lakhs against ₹ 33,253.83 Lakhs in the previous year. The profit for the year after tax is ₹ 587.30 lakhs as against a profit of ₹ 654.42 lakhs during the previous financial year.

Sharat Industries Limited is one of the very few companies in India which has all 4 divisions located within a 5-kilometer radius. All the divisions work together to ensure that there is continuous production throughout the year despite pre-existing seasonality in the business in general. This



results in high quality produce due to quick processing and reduced logistics. The Company has invested significantly in the capex of its farm and processing divisions in recent years to further boost the production capacity.

The shortfall in market demand during the year and price fluctuations were the key factors for inappreciable profits. The company is exploring alternate market facilities to increase export volume and lower operating costs. The directors are confident that the performance of the company will improve in the years to come.

### 3. CHANGES IN SHARE CAPITAL:

During the year under review there were no changes to Share Capital of the Company.

#### Authorized Share Capital:

The authorized Share Capital of the Company as on 31<sup>st</sup> March 2024 is ₹ 50,00,00,000/- (Rupees Fifty Crore) divided into 5,00,00,000 Equity shares having face value of Rs. 10/- each.

#### Paid-Up Equity Share Capital:

The Paid-up Capital of the Company is ₹ 23,91,25,000 (Rupees Twenty Three Crores Ninety One Lakhs Twenty Five Thousand) divided into 2,39,12,500 equity shares having face value of ₹ 10/- each.

### 4. DIVIDEND:

The Board of Directors at their meeting held on 14<sup>th</sup> November 2023, declared an interim dividend of ₹ 0.25 (Twenty Five paise only) (2.5%) per equity shares of ₹ 10/- each. The interim dividend was paid to the shareholders on 08<sup>th</sup> December 2023. The total outflow on account of said dividend was ₹ 59.78 lakhs. Your Board has not recommended any further dividend for the financial year 2023-2024.

### 5. TRANSFER TO RESERVES:

The Board of Directors of your company has decided not to transfer any amount to the reserves for the year under review.

### 6. CREDIT RATING:

The Credit rating of the Company remained unchanged during the Financial Year under review.

### 7. LISTING OF SHARES:

The Equity shares of the Company have been listed on the BSE Limited. The Company has paid applicable listing fees to the Stock Exchange and Depositories within stipulated time.

### 8. NATURE OF BUSINESS:

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

### 9. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, which affect the financial position of the company that have occurred between the end of the financial year to the date of this report.

## 10. ALTERATION OF MEMORANDUM OF ASSOCIATION

During the year under review, your company has not altered its Memorandum of Association and Articles of Association.

## 11. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

In accordance with Section 134(5) of the Act, the Company has Internal Financial Control Policies by means of policies & procedures commensurate with size and nature of operations. The Company's policies, procedures & standards are developed to uphold internal controls across the organisation. These controls ensure transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The controls were tested during the year and no material weakness exists. Audit Committee of the Board, periodically reviews the internal audit plans and observations/recommendations of Internal and Statutory Auditors. In accordance with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

## 12. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Companies Act 2013 read with rule 12 of the Companies (Management and Administration) Rules 2014 as amended from time to time, the Annual Return of the Company as on 31<sup>st</sup> March 2024 in e-form MGT-7 is available on Company's website and can be accessed at [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sil\\_draft\\_mgt-7\\_fy\\_23-24.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sil_draft_mgt-7_fy_23-24.pdf)

## 13. DETAILS OF SUBSIDIARIES AND ASSOCIATE COMPANIES:

### United Aquatech Private Limited

United Aquatech Private Limited is Company's associate in Chennai. Your company holds 49% of United Aquatech Private Limited equity share capital. United Aquatech Private Limited deals in business of Special Purpose Vehicle (SPV) for development of and operation of Shrimp farm at project locations.

During the year under review, United Aquatech Private Limited recorded revenue of ₹ 178.68 lakhs (previous year ₹ 284.79 lakhs) and registered loss before tax of ₹ 10.61 lakhs (previous year loss ₹ 20.04 lakhs)

Pursuant to section 129(3) of the Act, the statement containing the salient features of the financial statements of the Company's associate is enclosed as Annexure- III of the Board Report.

## 14. STATUTORY AUDITORS:

M/s A. R Krishnan & Associates, Chartered Accountants (FRN: 009805S) were re-appointed as statutory auditors of the Company for a second term of five (5) consecutive years, to hold office from the conclusion of the 32<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> September 2022 till the conclusion of 37<sup>th</sup> Annual General meeting to be held in the year 2027.

## 15. STATUTORY AUDITORS' REPORT:

The Statutory Auditors report for the Financial Year 2023-2024 does not contain any qualification, reservation or adverse remark or disclaimer.

## 16. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes on the Board of Directors of the Company.

### KEY MANAGERIAL PERSONNEL:

Mr. M. Balamurugan (Membership No: A66115) was appointed as Company Secretary and Compliance officer with effect from 22<sup>nd</sup> April 2023 and continues to hold the position.

### RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

In terms of Section 152 of the Companies Act, 2013, Mr. Shanmugam P (DIN: 08877587) is liable to retire by rotation at the ensuing 34<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee has recommended the re-appointment of Mr. Shanmugam P (DIN: 08877587) as Director of the Company.

## 17. DECLARATION FROM INDEPENDENT DIRECTORS:

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Independent Directors have also complied with the Code of Conduct prescribed in Schedule IV to the Act.

In accordance with Companies (Appointment & Qualification of Directors) Fifth Amendment Rules, 2019, Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs.

Information on familiarization program to Independent Directors is provided in the Corporate Governance Report section of this Annual Report.

## 18. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Separate meeting of Independent Directors was held on 14<sup>th</sup> February 2024 to review the performance of the Non-Independent Directors and the Board as a whole, to review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## 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. that the financial statements for the year ended March 31, 2024 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act, and that of guidelines issued by SEBI, to the extent applicable to the Company 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 as at 31<sup>st</sup> March 2024 and of the profit of the company for the year ended on that date;
- 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;
- 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. NUMBER OF MEETINGS OF THE BOARD:**

During the Financial Year 2023-2024 under review, the Board of Directors of the company met 5 (Five) times i.e., on 22<sup>nd</sup> April 2023, 30<sup>th</sup> May 2023, 12<sup>th</sup> August 2023, 14<sup>th</sup> November 2023 and 14<sup>th</sup> February 2024.

The further details relating to the Board meetings are given in Corporate Governance Section of this Annual Report. The gap between any two Meetings was within the period prescribed in the Companies Act 2013 and SEBI LODR.

## **21. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

As on the date of this report, the Board consists of 6 (Six) Directors, of which 2 (Two) are Executive Directors (one Managing Director and one Whole-Time Director), 4 (Four) are Non-executive Directors (Three are Independent and one is Non-Independent) Director. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 (the Act) is available on the Company's website at [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat\\_industries\\_remuneration\\_policy.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat_industries_remuneration_policy.pdf)

## **22. AUDIT COMMITTEE:**

Your Company has an Audit Committee pursuant to the requirements of the Act read with Rules framed there under and SEBI (LODR) Regulations, 2015. The details relating to the same are given in the report on Corporate Governance forming part of this Report. During FY 2023-2024 the recommendations of Audit Committee were duly accepted by the Board.

## **23. VIGIL MECHANISM/ WHISTLE – BLOWER POLICY:**

Pursuant to Section 177(9) of the Companies Act 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected frauds or violation of the Company's code of conduct and ethics. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all the employees and directors is available in the Company's website. The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat\\_industries\\_vigil\\_mechanism\\_and\\_whistle-blower\\_policy.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat_industries_vigil_mechanism_and_whistle-blower_policy.pdf)

**24. RISK MANAGEMENT:**

The risk management is based on the clear understanding of the type and severity of risks that the organization faces and the processes to be followed for monitoring and measuring on a continuous basis to manage the same with ease and efficiency.

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

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

**a. Conservation of energy**

S.No	Particulars	FY 2023-2024
(i)	The steps taken towards conservation of energy	To plan replacement of all ACBs at main control room.
(ii)	The steps taken by the company for utilizing alternate sources of energy	Need to plan stand by DG set for the replacement of old 725 KVA DG set and synchronizing setups.
(iii)	The capital investment on energy conservation equipments	Planning for solar projects at 1.50 MV DC to 1.2 MV AC.

**b. Technology absorption:**

S.No	Particulars	FY 2023-2024
(i)	Efforts made towards technology absorption	Installed evaporative condenser for replacement of old condenser to carry out full production capacity.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	Installed all VFD drives to system motors/ compressor units
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Evaporative condensers, grading machinery etc.
	(a) details of technology imported	System upgraded with drives an operation
	(b) the year of import;	2023-2024
	(c) whether the technology been fully absorbed	Yes 90% of technology absorbed
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	One old screw compressor is replaced with new motor and another one will be planned soon
(iv)	The expenditure incurred on Research and Development	Rs. 8-10 lakhs



## 26. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the details of Foreign Exchange Earnings and outgo are as under:

Particulars	FY 2023-2024 (Rs. in lakhs)	FY 2022-2023 (Rs. in lakhs)
Foreign Exchange	₹ 21,080.71/-	₹ 23,072.44/-
Foreign Outgo	₹ 418.93/-	₹ 650.12/-

## 27. CORPORATE SOCIAL RESPONSIBILITY(CSR):

In terms of Section 135 of the Companies Act 2013 read with CSR rules, your company during the year 2023-2024 spent ₹12.10 Lakhs being the two percent of the average net profit of your Company during the three preceding financial year in accordance with CSR policy of the Company.

Annual Report on CSR initiatives as required under the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended (CSR Rules) is annexed as **Annexure – I** and forms part of this report.

## 28. 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 as **Annexure – VI**

## 29. DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under.

## 30. PARTICULARS OF EMPLOYEES REMUNERATION:

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure – V** attached herewith which forms part of this report.

The statement containing such particulars of employees as required in terms of the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours up to the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary at the registered office of the Company in this regard.

## 31. MANAGERIAL REMUNERATION RECEIVED FROM THE COMPANY, HOLDING OR SUBSIDIARY COMPANY:

During the year, the Company does not have holding or subsidiary Company.

Name	Designation	Remuneration received from the Company for the FY 2023-2024 (Rs. in Lakhs)
Mr. Prasad Reddy Sabbella	Managing Director	72/-
Mr. Sharat Reddy Sabbella	Whole-Time Director	60/-

### 32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 DETAILS OF LOANS:

During the year under review, the Company has not given any loan, guarantee or made Investment as per the provisions of Section 186 of the Companies Act 2013.

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

All the related party transactions entered during the year were in ordinary course of business and on arm's length basis.

There are no materially significant related party transactions that may have potential conflict with interest of the company at large.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) – 24 are set out in the notes to the Financial Statements of the Company.

Form AOC-2 pursuant to Section 134 (2) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure – IV** to the report.

The policy on Related Party Transaction as approved and can be accessed at the website of the Company [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat\\_industries\\_rtp.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/sharat_industries_rtp.pdf)

### 34. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING:

During the Financial Year 2023-2024, your company has complied with applicable Secretarial Standards, namely SS-1, SS-2 & SS-3 issued by Company Secretaries of India.

### 35. ANNUAL SECRETARIAL COMPLIANCE REPORT

Annual Secretarial Compliance report for the Financial Year ended 31<sup>st</sup> March, 2024 on the compliance of all applicable SEBI regulation and circulars/guidelines, issued by M/s. BP & Associates, Practicing Company Secretaries, Chennai was submitted to BSE Limited.

### 36. SECRETARIAL AUDITOR'S REPORT

In terms of Section 204(1) of the companies Act 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors has appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2023-2024. The report of the Secretarial Auditor is **Annexure –II** to this report.

The Secretarial Audit report for the financial year ended 31<sup>st</sup> March 2024 contains qualification and clarification by the Board is as follows:

S. No	Observations/Remarks	Response by the Company
1.	The Company has not followed the procedure for reclassification of Promoters as per the Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company is continuously initiating appropriate steps to file a fresh application under Regulation 102 of SEBI (LODR) Regulations, 2015 seeking dispensation or relaxation of strict compliance with respect to regulation 31A of SEBI (LODR) Regulations, 2015 for rectifying the errors as soon as possible due to incorrect classification of certain public shareholders under promoter's category.
2.	The Company has not filed certain forms and maintained register as required under other laws that are applicable to the Company.	The Company has taken cognizant of the fact and has ensured that the company will take all the possible steps to comply with the provisions of all applicable laws applicable to company.

### 37. INTERNAL AUDIT:

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act, 2013, M/s. P S S & CO Chartered Accountants, Chennai were re-appointed as the Internal Auditors of the Company for the Financial Year 2023-2024.

### 38. COST AUDIT:

The provisions of the Cost Audit are not applicable to the Company.

### 39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

Management Discussion and Analysis Report of the company for the year under review as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this report.

### 40. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNAL

There are no significant and material order passed by the regulators or court or tribunal impacting the going concern status and the Company's operations in future.

### 41. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

To prevent sexual harassment of women at work place, a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9<sup>th</sup> 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.

### 42. 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.

#### 43. PREVENTION OF INSIDER TRADING:

The Company has a policy viz., Code of Conduct to regulate, monitor and report trading by designated person and same has been posted on the website of the company [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/code\\_of\\_conduct\\_for\\_insider\\_trading.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/code_of_conduct_for_insider_trading.pdf)

#### 44. 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.

#### 45. GENERAL

Your directors state that no disclosure or reporting is required of the following matter as there were no transaction on these matters during the year under review:

- Issue of equity shares with differential rights.
- Issue of shares to employees of the Company under any scheme.
- No instance of fraud reported by the Auditors under section 143 (12) of the Act.
- There are no proceedings pending under the Insolvency and Bankruptcy code, 2016.
- There was no instance of one-time settlement with any Banks or financial institution.

#### 46. ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by MPEDA, AXIS BANK LIMITED and Government of Andhra Pradesh, Tamil Nadu and also to employees at all levels, suppliers, dealers and customers for their strong support.

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

By Order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

Place: Nellore  
Date: 22<sup>nd</sup> July 2024

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

**S. Sharat Reddy**  
Whole-time Director  
DIN: 02929724

## CORPORATE SOCIAL RESPONSIBILITY (CSR) ANNEXURE I

Your Company has constituted Corporate Social Responsibility (CSR) pursuant to the provision of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rule 2014 are provided herein below:

### 1. A brief outline of the Company's CSR policy:

Our CSR activities focus on Empowerment of the underprivileged sections of the society through education, access to and awareness about financial services and any other programme that falls under our CSR policy and is aimed at the empowerment of underprivileged sections of the society.

### 2. Composition of CSR committee:

As on date of this report, the CSR committee comprise of the following members:

S.No	Name of the Member	Designation/Nature of Directorship	Number of Meetings of CSR committee held during the year	Number of Meetings of CSR committee attended during the year
1.	Mr. Sharat Reddy Sabbella	Chairman, Whole Time Director	1	1
2.	Mr. Prasad Reddy Sabbella	Member, Managing Director	1	1
3.	Mr. Harihar Venkata Muthyam	Member, Non-Executive Independent Director	1	1
4.	Mr. Swayze Mani	Member, Non-Executive Independent Director	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

The Composition of CSR Committee	<a href="http://www.sharatindustries.com/uploads/3/9/8/5/39859679/composition_of_board_committee.pdf">http://www.sharatindustries.com/uploads/3/9/8/5/39859679/composition_of_board_committee.pdf</a>
CSR Policy	<a href="http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr_policy_sil.pdf">http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr_policy_sil.pdf</a>
CSR Projects approved by the Board	<a href="http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr_policy_sil.pdf">http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr_policy_sil.pdf</a>

### 4. Provide the Executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable

Not Applicable

### 5. Details of the amount available to set-off in pursuance of the sub-rule (3) of the rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any (Rs. in Lakhs)



S.No	Financial year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1.	2023-2024	-	-

#### 6. Average Net profit of the Company as per Section 135(5)

The average net profit of the Company as per section 135(5) was ₹ 605.08 lakhs

#### 7. (a) Two percent of average net profit of the Company as per Section 135(5):

Two percent of average net profit of the Company as per Section 135(5) is ₹ 12.10 lakhs

#### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil, since no CSR projects or programmes or activities were carried out by the Company in the previous financial years.

#### (c) Amount required to be set off for the financial year if any: - Nil

#### (d) Total CSR obligations for the financial year (7a+7b-7c) - ₹ 12.10 lakhs

#### 8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹ Lakhs)	Amount Unspent (in Crore)				
₹ 12.10	Total amount transferred to Unspent CSR account as per Sub-Section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (6) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	-	-	-	-	-

#### (b) Details of CSR amount spent against ongoing projects for the financial year: NA

#### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Lakhs)	Mode of implementation -	Mode of implementation - Through implementing agency	
				State	District		Direct (Yes/No)	Name.	CSR registration number
1	Adult with Disabilities	Healthcare	No	Tamil Nadu	Karur	₹ 12.10	No	Andalt foundation	CSR00023593
Total						₹ 12.10			

**d)** Amount spent in Administrative Overheads: *Nil*

**e)** Amount spent on Impact Assessment, if applicable: *Not applicable*

**f)** Total amount spent for the Financial Year (8b+8c+8d+8e): ₹. 12.10 Lakhs

**g)** Excess amount for set-off, if any:

S.No	Particulars	Amount in ₹ (In Lakhs)
1.	Two percent of average Net Profit of the Company as per Section 135(5)	₹12.10
2.	Total amount spent for the Financial Year	₹12.10
3.	Excess amount spent for the Financial Year [(ii) - (i)]	-
4.	Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years, if any	Nil
5.	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	Nil

**9. a)** Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S.No	Preceding Financial year	Amount transferred to Unspent CSR Account under Section 135(6) (in Lakhs)	Balance Amount in Unspent CSR Account under Section 135(6) (In Lakhs)	Amount spent in the Financial Year (in ₹Lakhs)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding Financial Years	Deficiency if any
					Amount	Date of Transfer		
1	FY-1	NIL						
2	FY-2							
3	FY-3							

**10.** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Amount of CSR amount spent (in ₹Lakhs)	Details of Entity / Authority/ Beneficiary of the Registered Owner		
				CSR Registration Number, if applicable	Name	Registered Address
Not Applicable						

Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per sub-section (5) of section 135 - Not Applicable.

By Order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

Place: Nellore  
Date: 22<sup>nd</sup> July 2024

**S. Prasad Reddy**  
Member of CSR Committee  
DIN: 00069094

**S. Sharat Reddy**  
Chairman of CSR Committee  
DIN: 02929724

**ANNEXURE-II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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

To,  
The Members,  
Sharat Industries Limited  
Venkannapalem Village TP Gudur Mandal,  
Nellore- 524002, Andhra Pradesh.

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Sharat Industries Limited's** 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,

We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on, 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by **Sharat Industries Limited** for the financial year ended on 31<sup>st</sup> March, 2024 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- vii. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.
- ii. During the period under review the Company has Complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
  - 1. The Company has not followed the procedure for reclassification of Promoters as per the Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - 2. The Company has not filed certain forms and maintained register as required under other laws that are applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We 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 has been given to all directors to schedule the board meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We have relied on the representation made by the Company, its officers and Reports of the Statutory Auditor for relating to maintenance of account as required under rule 3(1) of the Companies (Accounts) rule 2014, statutory payment due, systems and mechanism framed by the Company for the compliance under other Acts, Laws and Regulations applicable to the Company.

We 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.

We further report that during the audit period, the following significant events have taken place

- i. Appointment of Mr. M. Balamurugan (Membership No: A66115) as Company Secretary & Compliance officer with effect from 22<sup>nd</sup> April 2023.
- ii. The Interim dividend of ₹ 0.25 declared and paid for every equity share of face value of ₹ 10 each on 2,39,12,500 equity shares, by the Board of Directors of the Company as per Resolution passed on 14<sup>th</sup> November 2023 absorbing a total sum of ₹ 59.78 lakhs for the financial year ended 31<sup>st</sup> March 2024
- iii. The Securities Exchange Board of India ("SEBI") has issued a settlement application order dated 27<sup>th</sup> December, 2023, directing the Company to pay a settlement amount for Non-Compliance with Regulations 170(1), 163(1) and 167(6) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as well as Regulations 6 and 31(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Furthermore, on 3rd January, 2024, the Company paid the settlement amount.

**For BP & Associates**  
**Company Secretaries**  
**Peer Review No: P2015TN040200**

**C. Prabhakar**  
**Partner**  
**M.NO:F11722| CP NO: 11033**  
**UDIN: F011722E000793085**

**Place: Chennai**  
**Date: 22<sup>nd</sup> July 2024**



**ANNEXURE A**

To  
The Members,  
Sharat Industries Limited  
Venkannapalem Village TP Gudur Mandal  
Nellore, 524002 Andhra Pradesh

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

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

**For BP & Associates**  
**Company Secretaries**  
**Peer Review No: P2015TN040200**

**C. Prabhakar**  
**Partner**  
**M.NO: F11722| CP NO: 11033**

**Place: Chennai**  
**Date: 22<sup>nd</sup> July 2024**

**ANNEXURE- III**
**FORM AOC-1**
**Part –B**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

**(Rs. In Lakhs except number of Shares)**

<b>Name of the Associate</b>	<b>United Aquatech Private Limited</b>
<b>1. Latest Audited Balance Sheet Date</b>	31 <sup>st</sup> March 2024
<b>2. Shares of the Associate held by the Company on the Year end</b>	
Number of shares	49000
Amount of Investment in Associate	Rs. 4.90
Extent of Holding %	49%
<b>3. Description of how there is significant influence</b>	There is a significant influence due to percentage (%) of share capital
<b>4. Reason why the associate is not consolidated</b>	-
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	(10.12)
<b>6. Loss for the year</b>	(10.61)
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(10.61)

1. Names of associates or joint ventures which are yet to commence operations. - NA

2. Names of associates or joint ventures which have been liquidated or sold during the year- NA

**For and on behalf of the Board of Directors**

**For A.R.Krishnan & Associates**

**Chartered Accountants**

**F.R. No. 009805S**

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

**S. Sharat Reddy**  
**Whole-Time Director**  
**DIN: 02929724**

**B. Anandaramakrishnan**  
**Partner**

**M.No. 209122**

**Date: 28<sup>th</sup> May 2024**

**N. Thyagarajan**  
**Chief Financial Officer**

**M. Balamurugan**  
**Company Secretary**

**ANNEXURE-IV**  
**Form No. AOC-2**

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

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

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

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts /arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:

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. (₹. In Lakhs)**

S.No	Name of Related Party and nature of Relationship	Nature of contact / Agreement/ Transaction	Value of Transaction	Duration of the Contract	Salient terms of The contract	Date of Approval by the Board/ Audit Committee	Amount as paid as advance if any
01.	Katyayini Aquatech Private Limited (Private Limited Company in which a relative of Director is Director and member)	Sale of Goods	1691.07	Year on Year Basis	The related party	30 <sup>th</sup> May 2023	Nil
		Purchase of Goods and Services	1810.03	Year on Year Basis	Transaction entered into during the year were in ordinary course and arm's length Basis		Nil

02.	SP Enterprise (Partnership Firm in which Director and relative of Director are partners)	Sale of Goods	652.08	Year on Year Basis	The related party Transaction entered into during the year were in ordinary course and arm's length Basis	30 <sup>th</sup> May 2023	Nil
		Purchase of Goods and Services	1209.92	Year on Year Basis			Nil
03.	United Aquatech Private Limited (Associate Company)	Sale of Goods	35.51	Year on Year Basis	The related party Transaction entered into during the year were in ordinary course and arm's length Basis	30 <sup>th</sup> May 2023	Nil
		Purchase of Goods and Services	163.39	Year on Year Basis			Nil
04.	Mrs. Devaki Reddy Sabbella relative of Mr. S. Prasad Reddy, Managing Director	Lease of office premises	8.82	Year on Year basis	The lease rent paid by the company shall not exceed the similar facilities in the location	30 <sup>th</sup> May 2023	Nil

By Order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

**Place: Nellore**  
**Date: 22<sup>nd</sup> July 2024**

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

**S. Sharat Reddy**  
**Whole-time Director**  
**DIN: 02929724**

## ANNEXURE -V

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014**

- 1. The ratio of the remuneration to Key Managerial Personnel to the median remuneration of the Employees of the Company for the Financial Year ended 31<sup>st</sup> March 2024 and Percentage Increase in remuneration compared to last financial year:**

Particulars	Remuneration for the FY 23-24 (Rs. In Lakhs)	% in Increase in remuneration compared to last FY	Ratio to median remuneration of Employees
<b>Managing Director</b>			
Mr. Prasad Reddy Sabbella	72.00	-	29:1
<b>Whole Time Director</b>			
Mr. Sharat Reddy Sabbella	60.00	-	24:1
<b>Chief Financial Officer</b>			
Mr. N. Thyagarajan	9.00	-	4:1
<b>Company Secretary</b>			
Mr. M. Balamurugan	11.50	-	5:1

- 2. Percentage Increase/Decrease in the median remuneration of the employees in the financial year ended 31<sup>st</sup> March 2024**

There was Increase/decrease in the median remuneration by 19.25%

- 3. No. of Employees on the rolls of the Company as on 31<sup>st</sup> March 2024: 150**
- 4. Average percentile increases 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, pointing out if there are any exceptional circumstances for increase in the managerial remuneration.**

Particulars	FY 2022-2023 (Rs. In Lakhs)	FY 2023-2024 (Rs. In Lakhs)	% Increase/(Decrease)
Employees Salary	633.54	588.67	(7.08%)
Managerial Remuneration	132.00	132.00	-

**5. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Your Company affirms that the remuneration to Directors and Key Managerial Personnel is as per the Remuneration Policy of the Company.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary at [cs@sharatindustries.com](mailto:cs@sharatindustries.com)

By Order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

Place: Nellore  
Date: 22<sup>nd</sup> July 2024

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

**S. Sharat Reddy**  
Whole-time Director  
DIN: 02929724





## Annexure VI

### 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:

##### 1. COMPANY'S PHILOSOPHY:

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

The Governance philosophy of the Company is not limited to confirming of compliance of laws but it is a blend of both legal and management practices to embed the same in decision making process. The Company has been practicing best principles from the stage of conceptualization of products till providing of services to consumers after sales.

##### 2. BOARD OF DIRECTORS

###### 2.01 COMPOSITION OF BOARD:

The Company has constituted the Board in consonance with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The strength of the Board of Directors is 6 (Six) with 2 (Two) Executive Directors (one Managing Director and one Whole-time Director), 4 (Four) Non-executive Directors (Three Independent and one Non-Independent Director). The Independent Directors are having vast experience in the industry, finance and general expertise to handle and guide the operation towards betterment. They take active part in the Board and Committee Meetings.

S.No.	DIRECTORS NAME	DESIGNATION
1.	Mr. Prasad Reddy Sabbella	Managing Director
2.	Mr. Sharat Reddy Sabbella	Whole time Director
3.	Mr. Harihar Venkata Muthyam	Non-Executive, Independent Director
4.	Mr. Shanmugam	Non-Executive, Non-Independent Director
5.	Mr. Swayze Mani	Non-Executive, Independent Director
6.	Mrs. Geetha Adhyam Bindu	Non-Executive, Independent Director

###### 2.02 None of the Directors on the Board:

- a. Holds Directorships in more than ten public companies.
- b. Serves as Director or as an Independent Director in more than seven listed Companies as required under Regulation 17A of Listing Regulation.
- c. Who are the Executive Directors serves as Independent Director in more than 3 listed entities.
- d. is member of more than 10 committees or chairperson of more than 5 committees across all the Companies in which he/she is a Director as required under regulation 26 (1) of Listing Regulation.

### 2.03 Information of Board of Directors and Attendance:

During the year under review the Board of Directors of the company met 5 (five) times. viz., 22<sup>nd</sup> April 2023, 30<sup>th</sup> May 2023, 12<sup>th</sup> August 2023, 14<sup>th</sup> November 2023 & 14<sup>th</sup> February 2024.

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

Name of Director / Designation	No of Board meetings attended during the year	Last AGM (held on 28 <sup>th</sup> September 2023) Attended	Directorships Held in Companies (Excluding Sharat Industries Limited)#	No of other Committees (other than Sharat Industries Limited ) in which Chairman / Members
Mr. Prasad Reddy Sabbella Chairman/ Managing Director	5	Yes	Nil	Nil
Mr. Sharat Reddy Sabbella Whole-Time Director	5	Yes	1	Nil
Mr. Harihar Venkata Muthyam (Non- Executive Independent Director)	5	Yes	2	Nil
Mr. Shanumugam (Non –Executive Non-Independent Director)	4	Yes	Nil	Nil
Mr. Swayze Mani (Non- Executive Independent Director)	5	Yes	Nil	Nil
Mrs. Geetha Adhyam Bindu (Non- Executive Independent Director)	5	Yes	1	Nil

#Note: As on 31<sup>st</sup> March 2024, none of the Directors holds any Directorship in other Listed Companies.

### 2.04 Disclosure of relationships between directors inter-se:

Mr. Prasad Reddy Sabbella, Managing Director is father of Mr. Sharat Reddy Sabbella, Whole-Time Director.

None of the other Directors are related to any other Director on the Board.

### 2.05 Number of Shares and Convertible instruments held by Non-Executive Director:

None of the Non-executive Directors holds any share in the company.

### 2.06 Details of familiarization programmers for Independent Directors

The details of the Familiarization Programmers for Independent Directors are available at the Company's website, at the following link <http://www.sharatindustries.com/shareholder-information.html>

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website at the following link at <http://www.sharatindustries.com/shareholder-information.html>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

**2.07 Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and is Independent of the management:**

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

**2.08 Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided: Not Applicable.**

**2.09 List of core Skills / expertise / Competencies required in the Company's Board to enable it function effectively and those actually available**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

S.No	Skills/ Expertise/ Competence identified by Board	Mr. S. Prasad Reddy	Mr. S. Sharat Reddy	Mr. Harihar Venkata Muthyam	Mr. Shanmugam	Mr. Swayze Mani	Ms. Geetha Adhyam Bindu
1	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	✓	✓	✓	✓	✓	✓
2.	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	✓	✓	✓	✓	✓	✓
3.	Business Strategy, Forex Management, Administration, Decision Making, Sales & Marketing.	✓	✓	✓	✓	✓	✓

S.No	Skills/ Expertise/ Competence identified by Board	Mr. S. Prasad Reddy	Mr. S. Sharat Reddy	Mr. Harihar Venkata Muthyam	Mr. Shanmugam	Mr. Swayze Mani	Ms. Geetha Adhyam Bindu
4	Corporate Governance & Compliance	✓	✓	✓	✓	✓	✓
5	Financial and Management skills	✓	✓	✓	✓	✓	✓
6	Technical / Professional skills and specialized knowledge in relation to Company's business	✓	✓	✓	-	✓	✓

### 3. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNEL

There are no changes in the Board of Directors of the Company.

#### KEY MANAGERIAL PERSONNEL:

Mr. M. Balamurugan (Membership No: A66115) was appointed as Company Secretary and Compliance officer with effect from 22<sup>nd</sup> April 2023 and continues to hold the position till date.

### 4. AUDIT COMMITTEE

#### 4.01 Terms of Reference

The committee acts as a bridge between the Board, the Statutory Auditors and the internal auditors. The Committee functions as per the provisions of regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of Companies Act, 2013. The responsibilities of the Committee, inter-alia, include:

- (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.

The Company Secretary serves as the Secretary to the Committee.

#### 4.02 Composition & Meetings

The committee comprises Non-Executive Independent Directors. As on 31<sup>st</sup> March 2024, the composition of the committee is as follows:

S.No	Name of the Member	Description
1	Mrs. Geetha Adhyam Bindu	Chairperson, Independent Director
2.	Mr. Harihar Venkata Muthyam	Member, Independent Director
3.	Mr. Swayze Mani	Member, Independent Director

During the financial year 2023-2024, Four (4) meetings of the Audit Committee were held viz., on 30<sup>th</sup> May 2023, 12<sup>th</sup> August 2023, 14<sup>th</sup> November 2023 and 14<sup>th</sup> February 2024. All members of Audit Committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management were invited to attend all the meetings of the committee.

#### 4.03 Attendance of Directors

Name of Director/Member	No. of Meetings Held	No. of Meetings Attended
Mrs. Geetha Adhyam Bindu	4	4
Mr. Harihar Venkata Muthyam	4	4
Mr. Swayze Mani	4	4

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

### 5. NOMINATION AND REMUNERATION COMMITTEE:

#### 5.01 Terms of Reference

The Committee was constituted in terms of the requirement of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013. The responsibility of the committee includes:

- (a) To formulate criteria for determining qualifications, positive attributes and independence of a director.
- (b) To identify persons who are qualified to become Directors and Key Managerial Personnel in accordance with the criteria laid down in this policy and recommend their appointment to Board.
- (c) To formulate criteria for evaluation of Directors, the Board and various Committees of the Board.
- (d) To carry out evaluation of Director's performance.

- (e) To recommend to the Board policy relating to remuneration for Directors, Key Managerial and Senior Management Personnel.
- (f) Succession planning for replacing Key Executives and overseeing the Implementation of the same.

The Company Secretary serves as the Secretary to the Committee.

### 5.02 Composition & Meetings

The Committee comprises of 3 Non-Executive Independent Directors. As on 31<sup>st</sup> March 2024, composition of the committee is as follows:

S.No	Name of the Member	Description
1	Mrs. Geetha Adhyam Bindu	Chairperson, Independent Director
2.	Mr. Harihar Venkata Muthyam	Member, Independent Director
3.	Mr. Swayze Mani	Member, Independent Director

### 5.03 Attendance of Members:

Name of Director/Member	No. of Meetings Held	No. of Meetings Attended
Mrs. Geetha Adhyam Bindu	2	2
Mr. Harihar Venkata Muthyam	2	2
Mr. Swayze Mani	2	2

The committee met twice during the Financial Year 2023-2024 viz., 22<sup>nd</sup> April 2023 and 12<sup>th</sup> August 2023.

### 5.04 Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters below

- (a) Attendance at Meetings - attendance at Board Meetings, General and Committee meetings.
- (b) Other Directorships held by the Non-Executive Director in listed or unlisted Companies.
- (c) Other companies in which Non-Executive Director is a chairperson.
- (d) Participation at Board/Committee meetings.
- (e) Review of Financial Statements, risks and business performance
- (f) Time devoted towards discussion with Management.

The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors; the Directors expressed their satisfaction with the evaluation process.

## 6. REMUNERATION OF DIRECTORS

### 6.01 Pecuniary relationship or transaction of the Non-Executive Director vis-à-vis the Company

There were no pecuniary relationships or transactions of the non - executive directors 'vis-à-vis' the company during the Financial Year ended March 31, 2024 except payment of remuneration by way of sitting fees as disclosed below



## 6.02 Criteria of Making Payment to Non-Executive Directors

The Company has formulated and laid down the criteria for making payment to the Non-executive Director as enumerated in the Nomination and Remuneration policy which is accessed in the website of the Company [www.sharatindustries.com](http://www.sharatindustries.com)

## 6.03 Disclosure with respect to remuneration

Disclosures with respect to remuneration paid during the financial year ended March 31, 2024 as per the Companies Act, 2013

### Remuneration Paid to Non-executive Director

The details of the remuneration (sitting fees) paid to non-executive directors during the financial year ended 31<sup>st</sup> March 2024 is given below

S.No	Name of the Non-Executive Directors	Sitting Fees Paid (Rs. in Lakhs)
1	Mr. Harihar Venkata Muthyam	0.84
2.	Mr. Shanmugam	0.40
3.	Mr. Swayze Mani	0.84
4.	Mrs. Geetha Adhyam Bindu	0.82

### Remuneration paid to Executive Director (Rs. in Lakhs)

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	72	-	-	72
Mr. S. Sharat Reddy	60	-	-	60

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

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

**7.01** The Committee, inter-alia, approves issuance of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and rematerialisation including redressing grievances related thereto. The Committee also considers redressing of shareholder's complaints relating to non-receipt of notices/annual reports and dividends etc.

**7.02** The committee comprises Non-Executive Independent Directors. As on 31<sup>st</sup> March 2024, composition of the committee is as follows:

S. No.	Name of the Member	Description
1	Mrs. Geetha Adhyam Bindu	Chairperson, Independent Director
2.	Mr. Harihar Venkata Muthyam	Member, Independent Director
3.	Mr. Swayze Mani	Member, Independent Director

Mr. M Balamurugan, Company Secretary is the Compliance Officer to the Committee.

During the financial year ended on 31<sup>st</sup> March, 2023 the Shareholder's Relationship Committee met 4 times (four) viz., 30<sup>th</sup> May 2023, 12<sup>th</sup> August 2023, 14<sup>th</sup> November 2023 and 14<sup>th</sup> February 2024.

The attendance of the members of the Stakeholder's Relationship Committee is as follows:

Name of Director / Member	No. of Meetings Held	No. of Meetings Attended
Mrs. Geetha Adhyam Bindu	4	4
Mr. Harihar Venkata Muthyam	4	4
Mr. Swayze Mani	4	4

(i) The Details of Shareholders Complaints during the financial year ended 31<sup>st</sup> March 2024 are given below

No. of Investors Complaints pending at the beginning of the Year 2023-2024	No. of Complaints received during the year 2023-2024	No. of Complaints Resolved during the year 2023-2024	No. of Complaints remaining unresolved during the Year 2023-2024
0*	13*	13*	0*

\*Based on the Quarterly Investor's Grievance Report submitted to the stock exchanges pursuant to Regulation 13 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year ended 31<sup>st</sup> March 2024.

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

CSR committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013.

Our CSR committee comprises of four Directors as members out of which 2 directors are Independent Directors.

S. No.	Name of the Member	Category
1.	Mr. Sharat Reddy Sabbella	Chairman, Executive- Whole Time Director
2.	Mr. Prasad Reddy Sabbella	Member, Executive Director, Managing Director
3.	Mr. Harihar Venkata Muthyam	Member, Non-Executive Independent Director
4.	Mr. Swayze Mani	Member, Non-Executive Independent Director

The Company Secretary of the Company will be the secretary to the Corporate Social Responsibility Committee.

During the financial year ended the committee met once i.e on 14<sup>th</sup> February 2024 and all the members of the committee were present at the meeting.

The CSR committee was set up to formulate and monitor the CSR policy of the Company. The CSR committee adopted a policy that outlines the Company's objective of catalyzing economic development that positively improves the quality of life for the society, and aims to be a responsible corporate citizen and create positive impact through its activities on the environment, communities and stakeholders.

The CSR policy of the Company is available on our website at [http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr\\_policy\\_sil.pdf](http://www.sharatindustries.com/uploads/3/9/8/5/39859679/csr_policy_sil.pdf)

## 9. RIGHTS ISSUE COMMITTEE

Our Rights issue committee consist of three directors as members,

S. No.	Name of the Member	Category
1.	Mr. Sharat Reddy Sabbella	Whole Time Director, Chairman,
2.	Mr. Prasad Reddy Sabbella	Managing Director, Member
3.	Mr. Harihar Venkata Muthyam	Non-Executive Independent Director, Member,

The Company Secretary of the Company will be secretary of the rights issue committee. During the financial year under review the committee met once on 13<sup>th</sup> March 2024 and Mr. Prasad Reddy Sabbella and Mr. Harihar Venkata Muthyam were present for the meeting.

### A. the Regulations governing the Committee are:

- i. The Committee should have a minimum of three directors.
- ii. The Members of the committee shall elect a chairman from among themselves to chair all the meetings of the Committee
- iii. The quorum of the meeting of the committee shall be two members
- iv. The minutes of the committee meetings shall be placed before the board and shall be noted by the directors.

### B. Powers of the Rights Issue Committee:

- i. to appoint Legal Advisor, Registrar to the Issue, Banker to the Issue, Advisors, Printers, Advertisement Agencies and all other intermediaries/agencies necessary for the Rights Issue and finalise their terms and conditions of appointment including remuneration by way of commission, brokerage, fee, expenses and / or any other charges or like;
- ii. to determine the terms and conditions for issuance of the Rights Shares and proportion thereof, timing for issuance of such Rights Shares, issue price, premium on face value and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient.
- iii. to finalise the Draft Letter of Offer, Letter of Offer, Composite Application Form, Split Application Form, Abridged Letter of Offer and to negotiate, finalise, settle and execute any other documents, deeds, agreements and instruments in relation to the Issue, including agreement with the Registrar, Advertisement Agencies and the Underwriting Agreement, if any, as may be required to file the same with SEBI, Stock Exchanges and other concerned authorities and issue the same to the equity shareholders of the Company;
- iv. to approve and issue in such newspapers as it may deem fit and proper all notices, including any advertisement(s) / supplement(s) / corrigenda required to be issued in terms of ICDR Regulations or other applicable regulations and guidelines or in compliance with any direction from SEBI and/or such other applicable authorities and to decide on other terms and conditions of the Rights Issue;
- v. to decide the treatment to be given to the fractional entitlements, if any;
- vi. to decide the record date in consultation with the Stock Exchanges for Rights Issue for ascertaining the name of shareholders who will be entitled to the Equity Shares;
- vii. to take necessary actions and steps for obtaining relevant approvals/consents from Stock Exchanges and such other authorities as may be necessary in relation to the Rights Issue;

- viii. to make application(s) and obtain necessary approvals for listing and trading for Equity Shares issued in Rights Issue and renouncement of rights entitlement from the Stock Exchanges;
- ix. to open bank accounts with any nationalized bank / private bank / foreign bank for the purpose of receiving applications along with application monies and handling refunds in respect of the Rights Issue;
- x. to decide the marketing strategy of the Rights Issue and the costs involved;
- xi. to provide necessary information to Legal Advisor, Registrar to issue, Advisors and other intermediaries/agencies require for Draft Letter of Offer, Final Letter of Offer and other documents related to the Rights Issue;
- xii. to decide the date of opening and closing of the Rights Issue and to extend, vary or alter the same as it may deem fit or as may be stipulated or suggested by Stock Exchanges or other authorities from time to time;
- xiii. to do all such necessary acts, deeds including execution of agreements, applications undertaking and any other documents for listing and trading of Equity Shares issued in the Rights Issue on the Stock Exchanges;
- xiv. to incur necessary expenses in connection with or otherwise in relation to the Rights Issue, filing fees, stamp duty, etc;
- xv. to finalise the basis of allotment in consultation with the Registrar, Stock Exchanges, and issue and allot the Equity Shares in accordance therewith, in one or more tranches, and to do all necessary acts, deeds or things with NSDL/CDSL in connection with admission of the Equity Shares issued in the Rights Issue;
- xvi. to issue letters of allotment and share certificates to the proposed allottees either in dematerialized form or in physical form as may be required by the allottees;
- xvii. to make necessary changes and to enter the names of the renouncees, if they are not members of the Company in the register of members of the Company;
- xviii. to decide the mode and manner of allotment of Equity Shares if any not subscribed and left / remaining after allotment of Equity Shares and additional Equity Shares applied by the shareholders and the renouncees;
- xix. to take all such actions and give all such directions as may be necessary, incidental or desirable and also to settle any question or difficulty or doubts that may arise in regard to the creation, offer, issue and allotment of the Equity Shares and to do all acts, deeds, matters and things which they may in their discretion deem necessary or desirable for the purpose of the Rights Issue and to settle any question, difficulty or doubt that may arise in connection with the Rights Issue and in relation to utilization of the issue proceeds and take all steps which are incidental and ancillary in this connection and to do all such acts, deeds and things as it may in its absolute discretion consider necessary, proper, desirable, incidental or appropriate for Right Issue without being required to seek further consent or approval of the Members of the Company;
- xx. to file necessary returns, make declarations / announcements, furnish information, etc. to the concerned authorities in connection with the Rights Issue;
- xxi. to sign and execute any other document, agreement, undertaking in connection with the Rights Issue;
- xxii. to take all such other steps as may be necessary in connection with this Rights Issue; and to dispose of the unsubscribed portion of the Issue in such manner not dis-advantageous to the shareholders and the company.

## **10. INDEPENDENT DIRECTOR'S MEETING:**

During the Financial Year under review the Independent Directors meeting was held on 14<sup>th</sup> February 2024 and was attended by Mrs. Geetha Adhyam Bindu, Mr. Harihar Venkata Muthyam and Mr. Swayze Mani.

**11. (i) GENERAL BODY MEETING**

Details of location and time of the last three Annual General Meeting held are as follows:

Year	Location	Date	Time	Details of Special Resolutions passed
2022-2023	Through Video Conferencing (VC)/ other Audio Visuals Means (OAVM)	28 <sup>th</sup> September 2023	11:00 AM	1. To approve the increase in the Borrowings limits of the Company under section 180 (1) (c) of the Companies Act 2013. 2. To make investment, give loans, guarantees and provide securities under section 186 of the Companies Act 2013.
2021-2022	Through Video Conferencing (VC)/ other Audio Visuals Means (OAVM)	29 <sup>th</sup> September 2022	11:00 AM	Approving the appointment of Mr. Swayze Mani (DIN:09604569) as an Independent Director of the Company
2020-2021	Through Video Conferencing (VC)/ other Audio Visuals Means (OAVM)	27 <sup>th</sup> September 2021	10:00 AM	No Special Resolution was passed

**ii. Extra-Ordinary General Meeting:**

No Extra-ordinary General meeting of the members was held during the FY 2023-2024.

**iii. Postal Ballot Resolutions:**

No Postal Ballot resolutions was passed during the FY 2023-2024

**12. MEANS OF COMMUNICATION**

S. No	Description	Remarks
1.	Quarterly Results	The quarterly results are submitted to the stock exchange in accordance with the requirement of Listing Regulation.
2.	Newspaper wherein results are published	Quarterly/Half yearly/Annual Audited Results are generally published in widely circulated newspaper viz. Financial Express (English) All India edition and Visalandhra (Telugu) Nellore Edition.
3.	Website where results are published	<a href="http://www.sharatindustries.com/financial-performance.html">http://www.sharatindustries.com/financial-performance.html</a>
4.	Presentation made to institutional investors	The Company makes use of this website viz., <a href="http://www.sharatindustries.com/shareholder-information.html">http://www.sharatindustries.com/shareholder-information.html</a> for publishing presentations if any, made to institutional investors / analysts. No unpublished price sensitive information is discussed in the meeting with institutional investors and financial analysts.

### 13. GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting	34 <sup>th</sup> Annual General Meeting
Date & Time	Monday, 30 <sup>th</sup> September 2024 at 11:00 AM (IST)
Venue	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Registered Office	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh - 524002
Name and address of Stock Exchange(s) at which company's shares are listed	The equity securities of the Company are listed in Bombay Stock exchange (BSE Limited) and the annual listing fees for the financial year 2024-2025 has been paid within the stipulated time.
CIN:	L05005AP1990PLC011276
Financial Year 2024-2025 (tentative)	First Quarter Results - By 14th August 2024 Second Quarter Results/ Half yearly - By 14 <sup>th</sup> November 2024 Third Quarter - By 14 <sup>th</sup> February 2025 Year end results - By 30 <sup>th</sup> May 2025
Registrar and share transfer Agent.	M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600002. Email address:cameo@cameoindia.com Website: www.cameoindia.com
Whether the securities were suspended from trading during the Year 2023-2024	The equity shares of the Company were not suspended at any point of time during the year 2023-2024 and also till the date of the Report.
ISIN Stock Code	INE220Z01013 519397

### 14. MARKET PRICE DATA

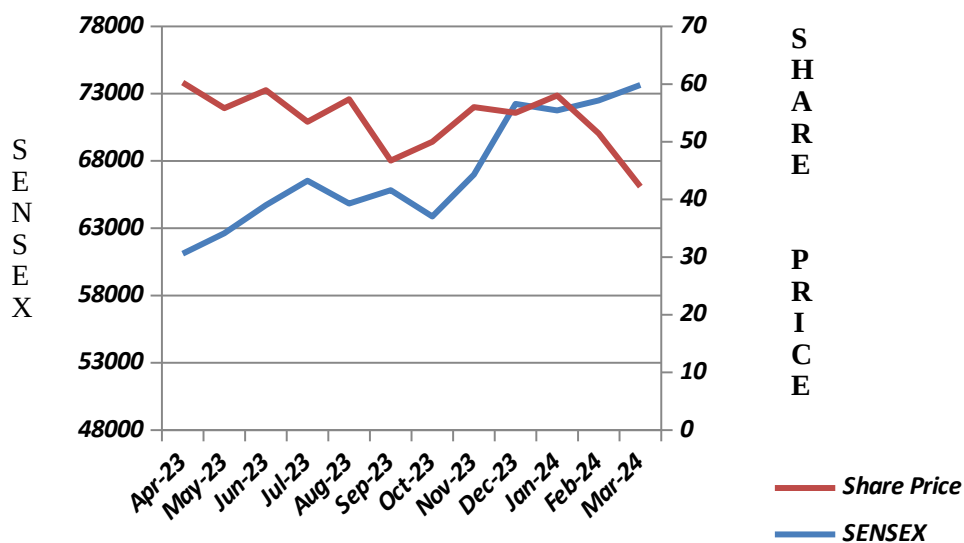
Details of Monthly high and low market prices as per stock exchange data for the financial year ended 31<sup>st</sup> March, 2024.

Month	High Price	Low Price	No. of Trades
Apr-23	65.00	44.15	491
May-23	64.68	54.50	573
Jun-23	67.80	54.00	633
Jul-23	60.90	52.60	403
Aug-23	58.50	50.01	544
Sep-23	62.15	42.70	868
Oct-23	54.02	42.41	1,189
Nov-23	61.97	48.07	907
Dec-23	63.40	53.53	1,023
Jan-24	70.45	54.29	2,563
Feb-24	64.90	50.01	2,008
Mar-24	52.68	42.00	1,217

**15. CHART GIVEN HEREUNDER PLOTS THE MOVEMENTS OF THE COMPANY'S SHARE PRICE ON BOMBAY STOCK EXCHANGE LIMITED FOR THE YEAR 2023-2024**



**16. RELATIVE PERFORMANCE OF SHARAT INDUSTRIES LIMITED V/S. BSE SENSEX**





**17. SHAREHOLDING PATTERN AS ON MARCH 31, 2024 (PAN CONSOLIDATED):**

Category	No. of Shareholders	No. of Shares	% of Shareholding
(A) Promoter and Promoter Group:	4	93,14,441	38.95
(B) Public	37,373	1,45,98,059	61.05
<b>Grand Total</b>	<b>37,377</b>	<b>2,39,12,500</b>	<b>100.00</b>

**18. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024**

Slab of Share Holding	Shareholders	%	Shares Amount	%
1-5,000	34,412	91.82	4,71,12,650	19.71
5,001-10,000	1,715	4.58	1,40,28,240	5.87
10,001-20,000	726	1.94	1,08,20,800	4.52
20,001-30,000	286	0.76	72,10,170	3.01
30,001-40,000	99	0.26	36,21,170	1.52
40,001-50,000	72	0.19	34,23,060	1.43
50,001-1,00,000	92	0.25	66,52,540	2.78
1,00,001- Above	76	0.20	14,62,56,370	61.16
<b>Total</b>	<b>37,478</b>	<b>100.00</b>	<b>23,91,25,000</b>	<b>100.00</b>

**19. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The company has established connectivity with both the depositories NSDL (National Securities Depository Services Limited) and CDSL (Central Depository Services (India) Limited). Therefore, the Company's Equity Shares can be dematerialized.

The Details of Dematerialization of Shares as on 31<sup>st</sup> March, 2024 as under

S.No	Mode of Holding	No. of Holders	Percentage of No. of Holders	No. of Shares	Percentage of No. of Shares
1.	Physical	35,019	93.44	90,80,400	37.97
2.	NSDL	913	2.44	37,42,468	15.65
3.	CDSL	1,546	4.12	1,10,89,632	46.38
	<b>Total</b>	<b>37,478</b>	<b>100.00</b>	<b>2,39,12,500</b>	<b>100.00</b>

**20. OUTSTANDING GDRs OR ADRs OR WARRANTS OR CONVERTIBLE INSTRUMENTS**

There is no outstanding Global Depository Receipt or American Depository Receipt or Warrants or any convertible instruments during the year 2023-24.

**21. ADDRESSES FOR CORRESPONDENCE:**

Shareholders correspondence should be addressed to the Company Secretary of the Company at the registered office of the company Mob:8897628787 email id: cs@sharatindustries.com.

Its Registrar and Share transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002, Tamil Nadu, Ph: 91-44-28460390 / 91-44-40020700 email id: investor@cameoindia.com by quoting the Folio number or the Client ID number with DP ID number.

**22. PLANT LOCATION:**

Plant	Location
Farm	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh-524002
Hatchery	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh-524002
Feed Mills	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh-524002
Processing Plant	Mahalakshmpuram Village, TP Gudur Mandal, Nellore District-524002

**23. REGISTRAR AND SHARE TRANSFER AGENTS**

The address of Cameo Corporate Services, Registrar and Share transfer Agents of the company is as under.

Cameo Corporate Services Limited

Subramanian Building,

No.1, Club House Road, Chennai - 600002

Email Id: cameo@cameoindia.com

Website: <https://www.cameoindia.com/>

Phone Number: 044-28460390

- 24.** The list of all credit ratings obtained by the company along with any revisions thereto during the financial year 2023-2024: Nil

**25. RECONCILIATION OF SHARE CAPITAL AND DEMATERIALIZATION OF SHARES**

The shares of the company are in compulsory dematerialization segment and are available for trading in the depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Quarterly audit was conducted by M/s. BP & Associates, Practicing Company Secretaries, Chennai by reconciling the issued and listed capital of the company with the aggregate number of shares held by the shareholders in the physical and demat form.

The Company shares are liquid and actively traded in BSE limited. The status of the shares held in dematerialized and physical forms as on 31<sup>st</sup> March 2024.

Particulars	No. of Shares	Percentage
Shares held in Demat form	1,48,32,100	62.03
Shares held in Physical form	90,80,400	37.97
<b>Total</b>	<b>2,39,12,500</b>	<b>100.00</b>

**26. OTHER DISCLOSURES****24.01 Disclosure of Materially significant related party transaction that may have a potential conflict with the Interest of the entity at large & weblink for policy on dealing with Related Party Transaction.**

During the year under review, no material related party transactions which had any potential conflict with the interest of entity at large were entered.

The Board of Directors of the Company, as per the provisions of Regulation 23 of Listing Regulation has formulated a Policy on Material Related party transactions. The said policy is available on the website of the company <http://www.sharatindustries.com/corporate-policies.html>

## **24.02 Details of Non-Compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets during last three years**

### **a. Non-Compliance for the Provisions of SEBI (ICDR) Regulations, 2018 Schedule XIX- para (2) (FY 2021-2022)**

An amount of Rs. 10,00,000/- was paid by the Company as fine in the FY 2022-23 for delay in making an application for listing for the allotment of 19,00,000/- Equity shares on 31<sup>st</sup> January 2022 pursuant to conversion of warrants issued on preferential basis. As per SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19<sup>th</sup> August 2019, the listing application should be filed with the stock exchange(s) within 20 days from the date of allotment of shares. The due date of filing listing application for the above allotment of 19,00,000 Equity Shares as per the SEBI circular was 20<sup>th</sup> February 2022. However, the Company had filed the listing application with BSE Limited on 11<sup>th</sup> March 2022 resulting in a delay of 50 days and hence paid a fine of Rs. 10,00,000/-

### **b. Non-Compliance with the Provisions of Regulation 28 SEBI (LODR) Regulations, 2015 (FY 2021-2022)**

An amount of Rs. 50,000/- was paid by the Company as fine in the FY 2022-23 for the purpose of not obtaining In-principal approval of stock exchange inadvertently before the issuance of 19,00,000 share warrants in the FY 2021-22.

### **c. Settlement Order**

The Company vide its order number SO/AS/EFD2/2022-2023/7020 has received a settlement order from SEBI on 27<sup>th</sup> December 2023 to pay a settlement amount of ₹ 36,25,000 (Rupees Thirty Six Lakhs Twenty Five Thousand) for violations of following regulation

- Regulation 170 (1) of the SEBI (ICDR) Regulations, 2018.
- Regulation 163 (1) of the SEBI (ICDR) Regulations, 2018.
- Regulation 167 (6) of SEBI (ICDR) Regulations, 2018.
- Regulation 31 (1) of SEBI (LODR) Regulations, 2015.
- Regulation 6 of the SEBI (LODR) Regulations, 2015.

The Company has paid the amount on 03<sup>rd</sup> January 2024.

## **24.03 Details of Establishment of Vigil mechanism/ Whistle blower policy**

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 <http://www.sharatindustries.com/corporate-policies.html> It provides for direct access to the Chairman of the audit committee. No personnel have approached the Audit Committee till date.

**24.04 Web-Link where the Policy for determining Material Subsidiary is available**

The Company does not have any material subsidiary. Hence the necessity for complying with respect to framing a policy for determining the material subsidiary does not arise.

**24.05 Details of Funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).**

During the year under review, the Company has not raised any fund as required under regulation 32(7) of the SEBI (LODR) Regulations, 2015.

**24.06 Where the Board has not accepted any recommendations of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons.**

During the year under review, the Board has accepted all the recommendation of the all the committees of the Board.

**24.07 Total fees paid to Statutory Auditors**

During the year company has paid Rs. 4,00,000/- to statutory auditors for the services rendered.

**24.08 Redressal of Grievance under Sexual Harassment Policy:**

Pursuant to Rule 8(5) (x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as on end of the financial year	Nil

**24.09 Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account pursuant to the requirement of Regulation 34(3) and Schedule V Part F of the Listing Regulations**

The following table provides details in respect of the equity shares lying in the suspense account

Details	Number of Members	Number of Equity Shares
Aggregate number of the Members and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2023	0	0
Number of Members and aggregate number of shares transferred to the unclaimed suspense account during the year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Details	Number of Members	Number of Equity Shares
Number of Members who approached the company for transfer of shares and shares transferred from suspense account during the year	0	0
Unclaimed Shares Transfer to IEPF Authority during the year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Aggregate number of the Members and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March 2024	0	0

#### **24.10 Compliance of SEBI (LODR) Regulations, 2015.**

It is confirmed that the company has complied with the requirement under regulation 17 to 27 and Reg 46(2) (b) to (i) of SEBI (LODR) Regulations, 2015.

##### **Non-Mandatory Requirements:**

The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II as mentioned under Regulation 27 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

##### **1. Modified opinion(s) in audit report**

There was no qualification by the statutory auditors on the financial statements of the Company.

##### **2. Reporting of Internal Auditor**

As per the requirements, the internal auditor may report directly to the Audit committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations every quarter by the Internal Auditors.

##### **3. Shareholder rights:**

The Company regularly does statutory filings as required under SEBI (LODR) Regulations, 2015 as amended and also updates the website of the Company on a regular basis. The financial results as and when approved by the Board are hosted on the investor column of the Company's website from which any shareholder can easily access and obtain the requisite information about the Company.

#### **24.11 Disclosure of Commodity price risk and commodity hedging activities**

Company does not have exposure to commodity price risk and hedging activities

#### **24.12 Loans and advances in the nature of loans to firms / Companies in which directors are interested:**

During the year, the Company did not extend any loans or advance to any firms/companies in which directors are interested in terms of Section 185 of the Act.

## 27. Particulars of senior management including the changes therein since the close of the previous financial year

During the Year under review, following changes occurred in the position of senior management in the Company.

S. No	Name	Designation	Appointment date	Cessation Date
1	Mr. M. Balamurugan (A66115)	Company Secretary and Compliance Officer	22-04-2023	-

## 28. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained certificate from M/s. BP & Associates, Practicing Company Secretaries in compliance with provisions of Regulation 34(3) of the of the Listing Regulation read with schedule V, confirming that none of Directors of the Company have been disqualified from being appointed or continuing as a Director of the Company by SEBI, Reserve Bank of India or Ministry of Corporate affairs as on 31<sup>st</sup> March 2024. The said certificate is enclosed with this report as Annexure.

## 29. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of the Corporate Governance mentioned in the Regulation 17 to 27 and clause (b) to (i) of Sub-Regulation (2) of the regulation 46 of the Listing Regulations as applicable. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within the timelines prescribed by the SEBI for all the quarters during the financial year 2023-2024.

## 30. DECLARATION ON CODE OF CONDUCT

All Board members and senior management personnel have, for the financial year ended on 31<sup>st</sup> March, 2024, 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.

## 31. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES: Nil

By Order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

Place: Nellore  
Date: 22<sup>nd</sup> July 2024

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

**S. Sharat Reddy**  
Whole-time Director  
DIN: 02929724

**MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

**To**  
**The Board of Directors'**  
**Sharat Industries Limited.**

Dear Sirs,

**Sub: Managing Director/Chief Financial Officer (CFO) Certification**  
**Pursuant to the 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

- (a) We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2024 and that to the best of our knowledge and belief, we state that:
- (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, 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: Nellore**  
**DATE: 22<sup>nd</sup> July 2024**

**S. PRASAD REDDY**  
**MANAGING DIRECTOR**  
**DIN: 00069094**

**N. THYAGARAJAN**  
**CHIEF FINANCIAL OFFICER**



## 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: NELLORE**  
**DATE: 22<sup>nd</sup> July 2024**

**PRASAD REDDY SABBELLA**  
**MANAGING DIRECTOR**  
**DIN: 00069094**



## **ANNEXURE -VI**

### **CERTIFICATE ON COMPLIANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members,  
SHARAT INDUSTRIES LIMITED,  
Venkannapalem Village, T P Gudur Mandal,  
Nellore 524002 Andhra Pradesh

We have examined the compliance of conditions of Corporate Governance by Sharat Industries Limited ("the Company") for the year ended 31<sup>st</sup> March, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to a review of the procedures adopted and implementation thereof, 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, and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations.

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.

**For BP & Associates**  
**Company Secretaries**  
**Peer Review No: P2015TN040200**

Date: 22<sup>nd</sup> July 2024  
Place: Chennai

**C. Prabhakar**  
**Partner**  
**M No: F11722**  
**CP No: 11033**  
**UDIN: F011722F000800191**

**ANNEXURE -VII****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
SHARAT INDUSTRIES LIMITED  
Venkannapalem Village, TP Gadur Mandal,  
Nellore Andhra Pradesh 524002

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of SHARAT INDUSTRIES LIMITED having CIN L05005AP1990PLC011276 and having registered office at Venkannapalem Village, TP Gadur Mandal, Nellore, Andhra Pradesh - 524002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers.

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1	Mr. Prasad Reddy Sabbella	00069094	07/05/1990
2	Mr. Sharat Reddy Sabbella	02929724	31/01/2013
3	Mrs. Geetha Adhyam Bindu	07017187	10/02/2023
4	Mr. Harihar Venkata Muthyam	08160011	28/09/2020
5	Mr. Shanmugam	08877587	12/11/2020
6	Mr. Swayze Mani	09604569	16/05/2022

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**For BP & Associates**  
**Company Secretaries**  
**Peer Review No:P2015TN040200**

Date: 22<sup>nd</sup> July 2024  
Place: Chennai

**C. Prabhakar**  
**Partner**  
**M No: F11722**  
**CP No: 11033**  
**UDIN: F011722F000800171**



# Financial Statements

## INDEPENDENT AUDITORS' REPORT

**To The Members of  
SHARAT INDUSTRIES LIMITED  
Report on the Standalone Ind AS Financial  
Statements**

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Sharat Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, the profit for the year ended on that date total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the

Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we have determined that there are no key audit matters to communicate in our report.

### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise



appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g) In our opinion and to the best of our information and according to the explanations given to us,



the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**h)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

**i.** The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.

**ii.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**iii.** There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

**iv. (a)** The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

**(b)** The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding

Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

**(c)** Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

**v.** The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

**i)** Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail."

- j) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid to the directors during the year is in accordance with the section 197 of the Act. The remuneration paid to any director is not in excess of the limit.

Place: Chennai  
Date: 28/05/2024

**For A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 0098055

**B. Anandaramakrishnan**

**Partner**

**Membership No.: 209122**

**UDIN : 24209122BKEPRU9161**

## **“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) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.**
- B) The company has maintained proper records showing full particulars of intangible assets;**
- b) All the Property, Plant and Equipment have been physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment 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 the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company.**
- d) The company is following cost model, hence revaluation of property, plant and equipment (including right of use assets) or intangible assets or both for the year is not applicable.**
- e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements.**

**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 and the procedures followed were appropriate. No Discrepancies were noticed on verification between the physical stocks and book records that were 10% or more in the aggregate for each class of inventory.**
- b) The company has been sanctioned working capital of Rs. 85.00 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets; and the statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.**

**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) of the Order are not applicable to the Company and hence not commented upon.

**iv) According to the information and explanations given to us and on the basis of examination of the records, the company has not provided any loans or any guarantee or security or made any investment as specified**

under section 185 and section 186 of the Companies Act, 2013. Hence, the clause 3(iv) of the order is not applicable.

**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. Hence, the clause 3(v) of the order is not applicable.

**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. Hence, the clause 3(vi) of the order is not applicable.

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

**a)** The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess 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, 2024 for a period of more than six months from the date they became payable.

**b)** Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where the Dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
Customs Act, 1962	Customs Duty	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2004-2005	76.31
Finance Act, 1994 (Chapter IV)	Service Tax	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2015-2016	31.50

**viii) In respect of surrendered or disclosed an unrecorded income:**

The company has not surrendered or disclosed any unrecorded income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1963).

- ix) a)** According to the information and explanations given to us and as per the records produced to us, the company does not make any default in repayment of loan or other borrowings or in the payment of interest thereon to any lender.
- b)** As per the information obtained, the company has not been declared as wilful defaulter by any bank or financial institutions or other lender.
- c)** In respect of term loan, the company were applied for the purpose of which the loans were obtained.
- d)** In respect of short term loan, the fund raised on short term basis have not been utilized for long term purpose.

- e) According to the information and explanations given to us and on overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under Companies Act 2013. Accordingly, clause 3(ix)(e) of the order is not applicable.
- f) According to the information and explanations given to us and procedure performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its associates as defined under the Companies Act 2013. Accordingly, clause 3(ix)(f) of the order is not applicable.
- x) In respect of fund raised.
  - a) The company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year.
  - b) The company has made private placement of shares during the year, requirement of section 42 and section 62 of companies act 2013 has been complied and fund raised has been used for the purpose for which the funds were raised.
- xi) In respect of fraud
  - a) 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.
  - b) No report was filed under sub-section (12) of section 143 of the companies with the central government.
  - c) During the year no whistle-blower complaints were received by the company.
- xii) In respect of Nidhi Company:
 

The Company is not a Nidhi Company. Hence, 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 Indian Accounting Standards.
- xiv) In respect of internal audit system.
  - a) The Company has internal audit system as appropriate with size and nature of its business.
  - b) In respect of Internal audit report, internal audit report for the period were considered during the audit.
- 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 Non-banking financial activities.
  - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

- b) The Company does not conduct any Non-banking financial or Housing Finance activities.
- c) The company is not a core investment company (CIC) as defined in regulation made by the Reserve Bank of India, Hence the clause 3(xvi)(c) of the order is not applicable.
- xvii) As per the information and explanation furnished to us, the company did not make any cash loss during the year.
- xviii) Based on the information and explanation given to us, no such resignation of the statutory auditor was occurred during the year.
- xix) On the basis of the financial ratios, ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement, based on our knowledge of the director and management plans, in our opinion there is no material uncertainty exist as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from balance sheet date.
- xx) According to the information and explanation given to us, the company Liability towards CSR activities are spent and no unspent amount of CSR liability is with Company, hence clause 3(xx) of the order is not applicable.

**For A.R.KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 0098055

**B. Anandaramakrishnan**

**Partner**

**Membership No.: 209122**

**UDIN : 24209122BKEPRV7389**

Place: Chennai

Date: 28/05/2024

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF SHARAT INDUSTRIES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls’ over financial reporting of **SHARAT INDUSTRIES LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, 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 : 0098055**

**B. Anandamakrishnan**  
**Partner**

**Membership No.: 209122**  
**UDIN : 24209122BKEPRV7389**

Place: Chennai  
Date: 28/05/2024

## SHARAT INDUSTRIES LIMITED

### BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Lakhs)

	Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>I</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Property, Plant & Equipment	3	4,623.29	4,931.84
	(b) Capital Work in Progress	3	157.73	140.00
	(c) Intangible Assets	3	-	-
	(d) Intangible Assets under Development		-	
	(e) Financial Assets	4	4.90	4.90
	(f) Deferred Tax Asset		-	-
	(g) Other Non-Current Assets	4.1	262.92	253.34
	(h) Trade Receivables	4.2	430.40	435.41
	<b>Total Non-Current Assets</b>		<b>5,479.25</b>	<b>5,765.50</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	5	6,667.72	5,513.57
	(b) Financial Assets			-
	(i) Investments			-
	(ii) Trade Receivables	6	5,651.76	5,602.07
	(iii) Cash and Cash Equivalents	7	129.29	853.12
	(iv) Bank Balances Other than (iii) above	8	375.50	346.92
	(v) Others	8.1	235.82	465.37
	(c) Other Current Assets	9	1,850.69	1,234.86
	<b>Total Current Assetsets</b>		<b>14,910.77</b>	<b>14,015.92</b>
	<b>TOTAL ASSETS</b>		<b>20,390.02</b>	<b>19,781.42</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>			
	<b>(1) Equity</b>			
	(a) Equity Share Capital	10	2,391.25	2,391.25
	(b) Other Equity	11	6,006.26	5,478.05
	<b>Total Equity</b>		<b>8,397.51</b>	<b>7,869.30</b>

(Rs. in Lakhs)

	Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
	<b>(2) Non-Current Liabilities</b>			
	(a) Financial Liabilities		-	-
	(i) Borrowings	12	676.32	1,050.21
	(ii) Other Financial liabilities[other than those specified in (b) below]	12.1	501.97	497.09
	(iii) Trade Payables	12.2	-	20.00
	(b) Provisions	13	36.39	29.41
	(c) Deferred Tax Liabilities (Net)	14	289.42	235.81
	<b>Total Non-Current Liabilities</b>		<b>1,504.09</b>	<b>1,832.52</b>
	<b>(3) Current Liabilities</b>			
	(a) Financial Liabilities		-	-
	(i) Borrowings	15	8,874.18	7,876.43
	(ii) Trade Payables	16	1,218.93	1,603.29
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	7.13	9.52
	(b) Other Current Liabilities	18	22.05	21.08
	(c) Provisions	19	366.12	569.28
	<b>Total Current Liabilities</b>		<b>10,488.41</b>	<b>10,079.60</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>20,390.02</b>	<b>19,781.42</b>
Significant Accounting Policies & Notes forming part of the financial statements		1 & 2		

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

**For 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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**N. Thyagarajan**  
Chief Financial Officer

**M. Balamurugan**  
Company Secretary

**Place: Nellore**  
**Date: 28-05-2024**

## SHARAT INDUSTRIES LIMITED

### Statement of Profit and Loss for the Year Ended March 31, 2024

(Rs. in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
I	<b>Revenue from Operations</b>	20	30,215.92	33,253.83
II	<b>Other Income</b>	21	58.77	346.89
III	<b>Total Income (I+II)</b>		<b>30,274.69</b>	<b>33,600.72</b>
IV	<b>Expenses</b>			
	(a) Cost of Materials Consumed	22	24,370.26	25,363.90
	(b) Purchase of Stock in trade		-	-
	(c) Changes in Inventory	23	(1,418.75)	(859.06)
	(d) Employee Benefits Expense	24	720.686	765.54
	(e) Finance Costs	25	938.78	858.68
	(f) Depreciation and Amortisation Expense	3	469.50	424.03
	(g) Other Expenses	26	4,428.29	6,138.92
	<b>Total Expenses (IV)</b>		<b>29,508.77</b>	<b>32,692.02</b>
V	<b>Profit Before Exceptional items and Tax (III-IV)</b>		<b>765.92</b>	<b>908.69</b>
VI	Exceptional Items		-	-
VII	<b>Profit Before Tax (V-VI)</b>		<b>765.92</b>	<b>908.69</b>
VIII	<b>Tax Expense</b>			
	(a) Current Tax		125.28	152.13
	(b) Mat Credit Entitlement		82.63	84.42
	(c) Deferred Tax		(29.29)	17.72
IX	<b>Profit /(Loss) for the year (VII-VIII)</b>		<b>587.30</b>	<b>654.42</b>
X	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit/(loss)		0.69	(11.27)

(Rs.in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
XI	<b>Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [IX+X])</b>		<b>587.99</b>	<b>643.16</b>
XII	<b>Earnings per Equity Share [Nominal Value of Rs.10/- per share]</b>	27	-	-
	(1) Basic		2.46	2.69
	(2) Diluted		2.46	2.69
	Face Value of the Share		10	10
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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**Place : Nellore**  
**Date: 28-05-2024**

**N. Thyagarajan**  
 Chief Financial Officer

**M. Balamurugan**  
 Company Secretary

## SHARAT INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Rs.in Lakhs)

S.No	Particulars	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit / (Loss) Before Extraordinary Items and Tax</b>	<b>765.92</b>	<b>908.69</b>
	<b>Adjustments for:</b>		
	Depreciation and impairment of Property, plant and equipment	469.50	424.03
	Amortisation and impairment of intangible assets	-	-
	Loss on sale of Investments	-	-
	Finance Costs	938.78	858.68
	Gratuity	0.96	(15.61)
	Wealth Tax	-	-
	(Profit)/Loss on Sale of Vehicle	-	-
	Interest Income	(20.65)	-22.67
	Creditors no Longer Payable	-	-
	Capital Subsidy	-	-
	Provision for Bad and Doubtful Debts	-	-
	<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>2,154.51</b>	<b>2,153.13</b>
	<b>Changes in Working Capital:</b>	<b>-</b>	<b>-</b>
	<b>Adjustment for (Increase) / Decrease in Operating Assets</b>	<b>-</b>	<b>-</b>
	Inventories	(1,154.15)	(19.59)
	Trade Receivables	(44.68)	141.95
	Short term Loans and Advances	229.55	(78.58)
	Bank Balances Other than cash & Cash Equivalents	(28.58)	(246.75)
	Others	(615.82)	(336.69)
	<b>Adjustment for Increase / (Decrease) in Operating Liabilities</b>	<b>-</b>	<b>-</b>
	Trade Payables	(384.36)	343.66
	Other Current Liabilities	(1.42)	(78.68)
	Long Term Provisions	6.98	15.03
	Short Term Provisions	(203.15)	(8.47)
	<b>Cash generated from operations</b>	<b>(41.12)</b>	<b>1,885.00</b>
	Cash outflow due to Exceptional Items	-	-

(Rs.in Lakhs)

S.No	Particulars	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
B.	<b>Cash generated from operations</b>	<b>(41.12)</b>	<b>1,885.00</b>
	Net Income Tax (Paid)/Refund	(125.28)	(152.13)
	<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A</b>	<b>(166.40)</b>	<b>1,732.87</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
	Capital Expenditure on Fixed Assets	(160.96)	(770.38)
	Decrease / (Increase) in Capital Work in Progress	(17.73)	114.66
	Proceeds from Sale of Fixed Assets	-	-
	Long Term Loans and Advances	(9.57)	1.00
	Interest Received	20.65	22.67
	Investment in Joint Venture	-	(4.90)
C.	<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B</b>	<b>(167.61)</b>	<b>(636.94)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds / (Repayment) from / of Long Term Borrowings	(373.89)	(180.56)
	Current Maturities of Long term Debt/ Other Financial Liabilities	4.88	13.50
	Other Short term Borrowings	997.75	191.37
	Trade Payables	(20.00)	(60.50)
	Finance Costs	(938.78)	(858.68)
	capital subsidy received from government	-	-
	Share Warrants related Premium Money received	-	190.00
	Interim Dividend Paid	(59.78)	-
	<b>NET CASH FROM / (USED IN ) FINANCING ACTIVITIES - C</b>	<b>(389.82)</b>	<b>-704.87</b>
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(723.83)	391.06
	Cash and Cash Equivalents at the beginning of the year (i.e. 1st April)	<b>853.12</b>	<b>462.06</b>
	Cash and Cash Equivalents at the end of the Year (i.e., 31st March)	129.29	853.12



(Rs.in Lakhs)

S.No	Particulars	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
	<b>Reconciliation of Cash and Cash Equivalents with the Balance sheet</b>		
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)		
	<b>Cash and Cash Equivalents at the end of the year</b>		
	<b>Comprises:</b>		
	Cash on hand	10.17	5.11
	Balance with Banks		
	- in Current Accounts	119.12	848.01
	- in Deposit Accounts		
		<b>129.29</b>	<b>853.12</b>

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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**N. Thyagarajan**  
Chief Financial Officer

**M. Balamurugan**  
Company Secretary

**Place: Nellore**  
**Date: 28-05-2024**

## Notes forming part of the Financial Statements

### (I) Assets

#### 1) Non Current Assets

(Rs.in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Non Current Assets</b>			
<b>Financial Assets</b>			
Equity instruments in Joint Venture	4.00	4.90	4.90
		<b>4.90</b>	<b>4.90</b>
<b>Other Non-Current Assets</b>	4.10	-	-
<b>Unsecured, Considered Good</b> (to Parties other than related Party)		-	-
<b>Capital Advances</b>			
<b>Advances Other than Capital Advances</b>			
Balances With Government Authorities		-	-
Security Deposits		262.92	253.34
Other Advances		-	-
<b>Total (a+b+c)</b>		<b>262.92</b>	<b>253.34</b>
(h) Trade Receivables	4.20	430.40	435.41
Less : Allowance for Doubtful debts		-	-
<b>Total</b>		<b>430.40</b>	<b>435.41</b>
<b>2) Current Assets</b>			
(A) Inventories :	5.00	-	-
(As valued and certified by the Management)		-	-
(i) Raw Materials		292.20	367.85
(ii) Finished Goods		6,231.98	4,813.23
(iii) Stock of Spares		143.54	332.49
(iv) Biological Asset		-	-
		<b>6,667.72</b>	<b>5,513.57</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(B) Financial Assets :</b>			
(i) Trade Receivables :	6.00		-
Trade Receivables		5,673.96	5,624.28
Less : Allowance for Doubtful debts		-	-
		<b>5,673.96</b>	<b>5,624.28</b>
Receivables from Related Parties		-	-
<b>Total</b>		<b>5,673.96</b>	<b>5,624.28</b>
Current		<b>5,673.96</b>	<b>5,624.28</b>
Non-Current		-	-
<b>Breakup of Good and Doubtful Debts</b>			
Unsecured, Considered good		5,673.96	5,624.28
Unsecured, Considered doubtful		-	-
<b>Total</b>		<b>5,673.96</b>	<b>5,624.28</b>
<b>Impairment Allowance (allowance for bad and doubtful debts):</b>			
Unsecured, Considered good		5,673.96	5,624.28
Unsecured, Considered doubtful		(22.21)	(22.21)
<b>Total</b>		<b>5,651.76</b>	<b>5,602.07</b>
<b>(ii) Cash and Cash Equivalents :</b>	7.00		
(a) Cash on hand		10.17	5.11
(b) Balances with Banks:			
i) in Current Accounts		119.12	848.01
ii) Deposits with original maturity of less than 3 months		-	-
<b>Current</b>		<b>129.29</b>	<b>853.12</b>
<b>Non-Current</b>			
<b>(ii) Bank Balances Other Than Referred Above</b>	8.00	-	-
(a) Earmarked balances :		-	-
i) Unclaimed dividend account		-	-
ii) In deposit accounts		375.50	346.92
(b) Balances with banks :		-	-
Deposits with original maturity of more than 3 months		-	-
(c) EEFC Balances		-	-
(d) Deposit Accounts		-	-
<b>Total</b>		<b>375.50</b>	<b>346.92</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
(v) Others	8.10	235.82	465.37
<b>(C) Other Current Assets</b>	9.00	-	-
(a) Loans and Advances to Employees		-	-
Unsecured, considered good		5.60	1.89
Less : Provision for Doubtful Advances		-	-
		<b>5.60</b>	<b>1.89</b>
(b) Loans and Advances to Vendors & Others		15.04	15.70
(c) Prepaid Expenses		36.00	33.80
(d) Balances with Government Authorities		317.65	565.30
(e) Others		1,476.40	618.18
		<b>1,850.69</b>	<b>1,234.86</b>

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

(Rs.in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
a) Equity Share Capital	10.00	-	-
<b>Authorised :</b>			
Equity Shares of Rs. 10/- each		5,000.00	5,000.00
No. of shares FY : 5,00,00,000 (PY 5,00,00,000)		<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up:</b>			
Equity Shares of Rs. 10/- each fully paid up		2,391.25	2,391.25
No. of shares FY : 2,39,12,500 (PY : 2,39,12,500)		-	-
		<b>2,391.25</b>	<b>2,391.25</b>

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

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

(Numbers in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Equity Shares:</b>			
Number of Shares at the beginning of the year		239.125	239.125
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
<b>Number of Shares at the end of the year</b>		<b>239.125</b>	<b>239.125</b>

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

(Rs in Lakhs)

Name of Share holder	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
		No. of Shares - % held	No. of Shares - % held
S. Prasad Reddy		7297641 : 33.15%	7297641 : 33.15%
S. Sharat Reddy		1803300 : 8.19%	1803300 : 8.19%
<b>b) Other Equity</b>	11.00	-	-
<b>Capital Reserve</b>		-	-
Opening Balance		1,408.32	1,408.32
Add: Additions during the year		-	-
Closing Balance A		<b>1,408.32</b>	<b>1,408.32</b>
<b>Capital Subsidy</b>		-	-
Opening Balance		-	-
Closing Balance B		-	-
<b>Share Premium</b>		950.00	950.00
Opening Balance		-	-
Add: Additions during the year		-	-
Closing Balance C		<b>950.00</b>	<b>950.00</b>
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>		3,119.73	2,476.57
Opening Balance		587.99	643.16
Add: Profit for the year		-	-
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment		(59.78)	-
Less: Interim Dividend		-	-
Closing Balance D		<b>3,647.94</b>	<b>3,119.73</b>
<b>Total ( A+B+C+D )</b>		<b>6,006.26</b>	<b>5,478.05</b>

## 2) Non Current Liabilities

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(a) Financial Liabilities</b>	<b>12.00</b>	-	-
(i) Borrowings		-	-
Term Loan from Bank (Secured)		615.52	844.41
Hire Purchase Loans From Banks		32.74	62.14
From Others		28.05	143.66
		<b>676.32</b>	<b>1,050.21</b>
(ii) Other Financial Liabilities		-	-
Other Loans	12.10	420.65	420.65
Advances from Customers		25.00	15.00
MPEDA		56.31	61.43
Deferred Advance from Rental Deposits		-	-
		<b>501.97</b>	<b>497.09</b>
(iii) Trade Payables	12.20	-	20.00
<b>(b) Provisions</b>	<b>13.00</b>	-	-
<b>Provision for employee benefits</b>		-	-
Post Retirement Benefits		36.39	29.41
Compensated Absences		-	-
		<b>36.39</b>	<b>29.41</b>
<b>(c) Defferred Tax Liability</b>	<b>14.00</b>	-	-
On account of brought forwarded Losses		-	-
Deferred Tax Liability		-	-
On difference between book balance and tax balance of fixed assets		289.42	318.44
		-	-
Deferred Tax Asset		-	-
On Account of Minimum Alternate Tax		0.00	82.63
<b>Net Defferred Tax Asset</b>		<b>289.42</b>	<b>235.81</b>

**A. Nature of Security:**

1. Term Loan from Axis 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.

**3. Current Liabilities**

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15.00	-	-
<b>Loans Payable on Demand</b>			
From Banks		8,255.44	7,269.67
Current Maturities of Long Term Borrowings		618.74	606.76
		<b>8,874.18</b>	<b>7,876.43</b>
(ii) Trade Payables	16.00	-	-
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		1,073.35	1,587.73
- For Expenses and Others		145.59	15.56
		<b>1,218.93</b>	<b>1,603.29</b>
(iii) Other Financial Liabilities	17.00	-	-
Provision for Gratuity		7.13	9.52
		<b>7.13</b>	<b>9.52</b>
<b>(b) Other Current Liabilities</b>	18.00	-	-
(i) Statutory Remittances		22.05	21.08
(ii) Advances from Customers		-	-
(iii) MPEDA		-	-
		<b>22.05</b>	<b>21.08</b>
<b>(c) Provisions</b>	19.00	-	-
<b>Provision for others</b>		-	-
(a) Provision for Taxes (Net of Advance Tax)		62.47	28.21
(b) Provision for Expenses		303.66	541.07
		-	-
		<b>366.12</b>	<b>569.28</b>
<b>TOTAL (a+b+c)</b>		<b>10,488.41</b>	<b>10,079.60</b>



## 4) Revenues

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Revenue from Operations:</b>	<b>20.00</b>		
(a) Sale of Products		29,048.90	31,988.00
(b) Sale of Services		-	168.66
(c) Other Operating Revenues		1,167.02	1,097.17
		<b>30,215.92</b>	<b>33,253.83</b>
<b>Sale of Products:</b>			
Sale of Shrimp - Export		21,080.71	23,072.44
Sale of Feed		4,986.63	7,049.18
Sale of Raw Shrimp		3,072.20	2,026.32
Sale of Chemicals		-	-
Sale of Shrimp - Interstate		-	-
<b>Total</b>		<b>29,139.54</b>	<b>32,147.93</b>
<b>Less:</b>			
<b>Sales Return</b>		(5.15)	-
<b>Turnover Discount</b>		(85.49)	(159.94)
<b>Net Turnover</b>		<b>29,048.90</b>	<b>31,988.00</b>
<b>Sale of Services:</b>			
Job Work Charges		-	168.66
		<b>-</b>	<b>168.66</b>
<b>Other Operating Revenue:</b>			
Export Incentives		1,115.95	1,051.67
Sale of Shrimp shell waste/Scrap		39.61	26.26
Miscellaneous Income		11.46	19.24
		<b>1,167.02</b>	<b>1,097.17</b>
<b>Other Income :</b>	<b>21.00</b>		
(a) Interest Income		-	-
(i) On Bank Deposits		20.65	15.25
(ii) On Others		8.94	7.43
(b) Net gain on Foreign Currency Transactions		(1.53)	190.88
(c) Other Non-Operating Income		30.71	133.33
(d) Profit on sale of vehicle		-	-
		<b>58.77</b>	<b>346.89</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Consumption of Raw Materials and Packing Materials	<b>22.00</b>	-	-
Opening Stock		616.85	1,456.32
Add: Purchases		24,105.65	24,524.43
		<b>24,722.50</b>	<b>25,980.75</b>
Less: Closing Stock - Raw Material	<b>23.00</b>	352.24	616.85
		<b>24,370.26</b>	<b>25,363.90</b>
<b>Changes in Inventory of finished goods:</b>		-	-
<b>Inventories at the end of the year</b>		-	-
Finished Goods - Feed & Shrimps		6,231.98	4,813.23
		<b>6,231.98</b>	<b>4,813.23</b>
<b>Inventories at the beginning of the year</b>		-	-
Finished Goods - Feed & Shrimps		4,813.23	3,954.17
		<b>4,813.23</b>	<b>3,954.17</b>
Stock Loss		-	-
(a) Finished goods/Stock in trade		-	-
(b) Work-in-progress		-	-
<b>Total Stock loss</b>		-	-
<b>(Increase) / Decrease in stock</b>		<b>(1,418.75)</b>	<b>(859.06)</b>

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Employee Benefits Expense :</b>	<b>24.00</b>	-	-
Salaries, wages and bonus		692.54	725.23
Staff Welfare and contribution to other Funds		28.14	40.32
		<b>720.69</b>	<b>765.54</b>
<b>Finance Costs :</b>	<b>25.00</b>	-	-
Interest Expense on:		-	-
(i) Interest		938.78	858.68
(ii) Other Borrowing Costs		-	-
		<b>938.78</b>	<b>858.68</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Other Expenses</b>	<b>26.00</b>	-	-
<b>Manufacturing Expenses</b>			
Power & Fuel		739.86	684.10
Repairs & Maintenance		-	-
- Buildings		4.02	3.43
- Plant & Machinery		65.63	52.04
- Electricals		20.17	35.62
Other Manufacturing Expenses		1,135.54	1,508.55
(a)		<b>1,965.22</b>	<b>2,283.74</b>
<b>Selling Expenses</b>			
Advertisement		3.91	4.31
Ocean freight and export expenses		1,620.69	2,576.30
Marketing Expenses		141.10	119.90
Discount Allowed		4.75	69.98
(b)		<b>1,770.46</b>	<b>2,770.48</b>
Other expenses			
Audit Fees			
For Statutory Audit		2.50	2.50
For Taxation purpose		1.00	1.00
Return preparation		0.50	0.50
For Other Services		-	-
Audit Expense		2.64	1.18
Bank Charges		32.53	50.70
CSR Expenditure	<b>28.00</b>	12.10	-
Bad Debts		-	257.61
Donation		1.27	1.35
Consultancy Fees		176.01	149.21
Communication Expenses		3.07	3.43
General Expenses		56.28	53.52
Fuel Charges		-	-
Insurance		22.47	18.62
Legal, Statutory & Documentation Charges		4.27	4.28
Listing Fee		3.25	3.00
Loss on sale of vehicle		-	1.43

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Inspection Charges		0.09	0.13
Office Maintenance		15.88	28.12
Printing & Stationery		8.09	8.78
Registration & Renewals		23.60	11.21
Rates & Taxes		216.11	222.89
Security Charges		30.74	36.26
Office Rent		15.72	20.53
Foreign Currency Loss		-	-
Foreign Currency Loss - NL		5.11	135.29
Cold Storage Maintenance		-	-
Revocation Fees to SEBI		-	-
Travelling & Conveyance Expenses		27.79	44.07
Vehicles Maintenance		31.58	29.09
<b>(c)</b>		<b>692.62</b>	<b>1,084.70</b>
<b>Grand Total (a+b+c)</b>		<b>4,428.29</b>	<b>6,138.92</b>

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Earnings per Share	<b>27.00</b>		
Profit / (Loss) After Tax attributable to Equity Shareholders		587.99	643.16
Weighted average number of equity shares		239.13	239.13
Basic & Diluted Earnings per Share		<b>2.46</b>	<b>2.69</b>
Face Value of the Share		<b>10.00</b>	<b>10.00</b>

### Corporate Social Responsibility Expenditure

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
a. Amount required to be spent by the Company during the Year	<b>28.00</b>	12.10	-
b. Amount of Expenditure Incurred		12.10	-
c. Shortfall at the end of the Year		-	-
d. Total of Previous Years Shortfall		-	-
e. Reason for Shortfall:		No Shortfall	-
f. Nature of CSR Activities:		Adults with disabilities	-
g. Details of related Party Transactions		-	-

## SHARAT INDUSTRIES LIMITED : NELLORE

### Notes forming part of the Financial Statements

#### Note - 3: Fixed Assets

Particulars	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Lab Equipments	Computers	Electrical Fixtures	Pond Construction	Jetty	Tools & Equipments	Total PPE	Capital WIP
<b>Cost or Deemed Cost</b>														
At March 31, 2024	5,63,43,922	14,27,59,059	36,98,21,917	54,65,982	6,06,91,152	86,20,058	17,32,803	26,69,739	1,25,08,918	4,06,64,764	53,48,201	1,67,04,805	72,33,74,835	1,40,00,361
Additions	4,35,000	3,54,710	1,23,46,832	2,64,435		8,31,471	-	4,85,588	7,11,167	-	-	6,66,525	1,60,95,728	49,67,982
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	31,95,246
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	5,67,78,922	14,31,13,769	38,21,68,749	57,30,417	6,06,91,152	94,51,529	17,32,803	31,55,327	1,32,20,085	4,06,64,764	53,48,201	1,73,71,330	73,94,70,563	1,57,73,097
<b>Depreciation and Impairment</b>														
At March 31, 2024	-	4,36,34,229	11,05,43,453	32,76,444	3,35,74,581	40,24,715	8,60,061	18,76,625	78,68,923	1,51,10,289	25,10,797	69,10,648	23,01,90,766	-
Depreciation charge for the year		66,46,066	2,77,56,205	6,09,785	51,19,050.95	12,68,342	1,64,530	4,07,474	11,62,051	21,58,613	3,58,685	12,99,672	4,69,50,474	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	-	5,02,80,295	13,82,99,658	38,86,229	3,86,93,632	52,93,057	10,24,591	22,84,099	90,30,974	1,77,68,901	28,69,483	82,10,320	27,71,41,240	-
<b>Carrying Amount</b>														
As at March 31, 2024	5,67,78,922	9,28,33,474	24,38,69,091	18,44,187	2,19,97,520	41,58,472	7,08,212	8,71,228	41,89,110	2,33,95,862	24,78,718	91,61,011	46,23,29,323	1,57,73,097
As at March 31, 2024	5,63,43,922	9,91,24,831	25,92,78,464	21,89,537	2,71,16,571	45,95,343	8,72,741	7,93,114	46,39,994	2,55,54,475	28,37,404	97,94,158	49,31,84,069	1,40,00,361
As at March 31, 2022	5,50,81,762	10,24,83,753	22,35,43,501	24,64,120	2,56,13,047	30,96,784	10,37,271	6,65,329	49,48,483	2,77,13,088	31,96,089	86,36,635	45,85,23,377	2,54,66,767
As at March 31, 2021	5,44,13,672	10,84,09,041	18,02,83,235	21,79,383	3,05,10,318	10,41,068	11,97,699	6,30,740	25,80,315	2,98,71,700	35,54,774	85,53,416	42,32,25,363	2,12,67,960
As at March 31, 2020	5,17,07,172	11,00,23,379	17,10,31,034	22,32,269	2,95,54,278	9,74,727	13,61,843	7,38,386	31,75,388	3,20,30,313	39,13,460	92,93,781	41,60,36,028	1,57,29,362
As at March 31, 2019	5,17,07,172	11,48,05,835	17,96,61,086	23,93,842	2,93,62,280	11,07,870	15,25,987	4,85,282	37,89,160	3,41,88,925	42,72,145	95,30,450	43,28,30,033	26,99,426
As at March 31, 2018	5,14,71,672	8,45,07,604	15,83,89,879	29,58,419	2,19,61,085	16,06,543	16,90,131	2,70,761	44,09,432	3,63,47,538	46,30,830	29,46,346	37,11,90,239	66,66,313

## Notes to the Financial Statements for the year ended March 31, 2024

### Corporate Information

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

### 1 Basis of Preparation of Financial Statements

#### Statement of Compliance with 10nd AS

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

#### Basis of preparation and measurement

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

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

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

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

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

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

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

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

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

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

## 2 Significant Accounting Policies

### 2.1 Property, Plant and Equipment (PPE)

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

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

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

#### 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. All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.



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

(i) Computer software

Computer software are stated at cost, less accumulated amortization 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) Amortization methods and periods

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

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

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

### **2.4 Non-derivative Financial Instruments**

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

#### **Cash and cash equivalents**

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

#### **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized 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 amortized 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 recognized in profit or loss.

### Financial liabilities

Financial liabilities are measured at amortized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 2.5 Impairment

### Financial assets (other than at fair value)

Financial assets (other than at fair value) The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized 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 recognized from initial recognition of the receivables.

### PPE and intangible 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 recognized in the Statement of Profit and Loss.

## 2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realizable 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 realizable 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. Biological assets of the Company comprise of

live stocks of shrimps' breeders and different phases of shrimp that are classified as current biological assets. The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

## **2.7 Revenue recognition**

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

### **Sale of goods**

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

Export benefits are accounted on recognition of export sales.

Revenue from the sale of Feeds is recognized 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 capitalized. Tangible assets used in research and development are capitalized.

## 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 recognized 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 recognized 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 recognized in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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 recognized 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 recognized 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 capitalized 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 capitalization. All the other borrowing costs are recognized 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 recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 utilized.

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 utilized.

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

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

### **2.16 Earnings per share (EPS)**

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

## **27 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 recognized 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.

## 28 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)
4	N. Thyagarajan	Key Managerial Person - Chief Financial Officer
7	Katyayini Aquatech Pvt Ltd	S. Devaki Reddy – One of the Directors in the Company
8	SP Enterprises	S. Prasad Reddy – Managing Partner of the firm S. Sharat Reddy – One of the Partners of the firm
9	United Aquatech Pvt Ltd	Associate Company

## Related Party Transactions - Other than KMP

(Rs.in Lakhs)

Particulars	Name of the company	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of shrimp	Katyayini Aquatech P Ltd	1810.03	1,016.24
	SP Enterprises	1209.92	418.90
	United Aquatech Pvt Ltd	163.39	276.60
Sale of Shrimp / Feed	Katyayini Aquatech P Ltd	1691.07	1,146.03
	SP Enterprises	652.08	797.75
	United Aquatech Pvt Ltd	35.51	1 92.57

## Transactions with key management personnel:

(Rs.In Lakhs)

Key management Personnel	Particulars of payment	For the year ended March 31, 2024	For the year ended March 31, 2023
S. Prasad Reddy	Remuneration	72.00	72.00
S. Sharat Reddy	Remuneration	60.00	60.00
S. Devaki Reddy	Rent	8.82	8.82
N. Thyagarajan	Salary	9.00	0.9
M. Bala Murugan	Salary	11.40	0.0

## 29 Gratuity and other post-employment benefit plan

(Rs.In Lakhs)

Sl. No.	Particulars	As At March 31, 2024	As At March 31, 2023
	Defined Benefit Plan		
a)	Defined benefit obligation at the beginning of the year	38.93	18.53
b)	Current Service Cost	5.25	5.10
	Interest Cost	2.84	1.15
	Actuarial (Gain)/loss	-0.96	15.61
	Benefits Paid	(2.54)	(1.47)
	Defined benefit obligation at the end of the year	43.52	38.93
	Expense recognized during the year	-	-
	Current Service Cost	5.25	5.10
	Interest Cost	2.84	1.15
	Actuarial Assumptions	-	-
	Discount Rate (per Annum)	7.18%	7.30%
	Rate Escalation in salary (per Annum)	10.00%	10.00%

## Sensitivity Analysis (Gratuity)

(Rs. In lakhs)

Sl. No.	Particulars	Amount	Impact (Absolute)	%	Amount	Impact (Absolute)	%
a)	Discount Rate (-0.50/+0.50%)	44.07	0.55	1.26%	42.99	(0.53)	(1.22%)
b)	Salary Inflation (-1/+1 %)	42.49	(1.03)	(2.36%)	44.59	1.07	2.46%
c)	Withdrawal rate (-5/+5 %)	45.24	1.73	3.97%	42.10	(1.42)	(3.26%)

## Maturity Profile of Defined Benefit Obligation (Gratuity)

(Rs. In lakhs)

Particulars	31-Mar-24	31-Mar-23
Year 1	10.93	9.53
Year 2	8.52	7.79
Year 3	7.69	6.61
Year 4	6.13	5.65
Year 5	6.56	4.51
After 5 <sup>th</sup> Year	13.63	14.13
<b>Total</b>	<b>53.46</b>	<b>48.22</b>

### 30 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 summarized 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, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Customs & Excise Duty	76.31	76.31
Service Tax	31.50	31.50
Income Tax (CIT, Appeals)	0	96.61

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.

#### Contingencies related to guarantees.

Name of bank	As at March 31, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Financial guarantees given to Companies	1300.00	1300.00

Guarantee creates a possible obligation on the company. The management believes that the likelihood of an actual outflow of resources due to these guarantees are remote and the potential liability is not expected to materialize.

#### Amount in respect of other claims

#### Bank Guarantees issued on behalf of the company

Name of bank	As at March 31, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Federal bank	15.2	15.2
Axis Bank	150.81	148.96
<b>Total</b>	<b>166.01</b>	<b>164.16</b>

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 Operating Segment Reporting

The Company's only Business is Integrated Aqua Culture and related activities and hence there is no separate reportable segment as per Indian Accounting Standard 108 on "Operating Segment" prescribed in Companies (Indian Accounting Standards) Rules, 2015.

### 32 Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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 summarized 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, 2024 and March 31, 2023

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, 2024, 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, 2024 would decrease or increase by Rs. Nil. (March 31, 2023 : Rs. Nil).

### 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, 2024		Currency	As at March 31, 2023	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	14,28,088	7,22,413	USD	18,45,180	9,65,245

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, 2024		Currency	As at March 31, 2023	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	83.41	70,567.50	USD	82.17	87,993.50

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

(Rs.In Lakhs)

Classes of Financial Assets	As at March 31, 2024	As at March 31, 2023
Investments	-	-
Trade Receivable	6,082.16	6,037.48
Cash and bank balances	129.29	853.12
Bank Balances other than above bank balances	375.50	346.92
Other Financial assets	-	-
<b>Total</b>	<b>6,586.95</b>	<b>7,237.52</b>

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

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

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

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

### Liquidity risk

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2024 and March 31, 2023.

(Rs. In.Lakhs)

As at 31st March 2024	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	8,874.18	676.32	-	9,550.50
Trade Payables	1,218.93	-	-	1,218.93
Other Financial Liabilities	7.13	81.32	420.65	509.10
<b>Total</b>	<b>10,100.24</b>	<b>757.64</b>	<b>420.65</b>	<b>11,278.53</b>

As at 31st March 2023	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	7,876.43	1,050.21	-	8,926.63
Trade Payables	1,603.29	20.00	-	1,623.29
Other Financial Liabilities	9.52	497.09	-	506.60
<b>Total</b>	<b>9,489.23</b>	<b>1,567.29</b>	<b>-</b>	<b>11,056.52</b>

### Trade Receivables-Billed-Current

(Rs. In lakhs)

Particulars	As At 31 <sup>st</sup> March 2024	As At 31 <sup>st</sup> March 2023
Trade Receivables-Billed	5673.96	5624.28
Less: Allowance for Doubtful trade receivables – Billed	(22.21)	(22.21)
<b>Considered Good</b>	<b>5651.76</b>	<b>5602.07</b>



**Ageing for Trade Receivables – Current Outstanding as at 31<sup>st</sup> March 2024**

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables- considered good	3025.23	1952.57	673.96	-	-	-	5651.75
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3025.23</b>	<b>1952.57</b>	<b>673.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5651.75</b>

Ageing for Trade Receivables – Current Outstanding as at 31<sup>st</sup> March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables- considered good	2672.93	2137.17	791.97	-	-	-	5,602.07
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2672.93</b>	<b>2137.17</b>	<b>791.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,602.07</b>

## Trade Receivables-Billed-Non-Current

(Rs. in Lakhs)

Particulars	As At 31st March 2024	As At 31st March 2023
Trade Receivables-Billed	430.40	435.41
Less: Allowance for Doubtful trade receivables – Billed	-	-
<b>Considered Good</b>	<b>430.40</b>	<b>435.41</b>

## Ageing for Trade Receivables – Non-Current Outstanding as at 31<sup>st</sup> March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables- considered good	-	-	-	-	-	-	-
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-		143.73	286.68	430.40
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>143.73</b>	<b>286.68</b>	<b>430.40</b>

Ageing for Trade Receivables – Non-Current Outstanding as at 31<sup>st</sup> March 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables- considered good	-	-	-	-	-	-	-
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	202.84	232.57	-	435.41
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>202.84</b>	<b>232.57</b>	-	<b>435.41</b>

## Trade Payables

### Ageing for Trade Payables – Current Outstanding as at 31<sup>st</sup> March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables MSME*</b>		-	-	-	-	-
Others	1218.93	-	-	-	-	1218.93
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>1218.93</b>	-	-	-	-	<b>1218.93</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

### Ageing for Trade Payables – Current Outstanding as at 31<sup>st</sup> March 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables MSME*</b>	41.5	33.93	-	-	-	75.43
Others	544.91	982.96	-	-	-	1527.87
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>586.41</b>	<b>1016.88</b>	-	-	-	<b>1603.29</b>

**Trade Payables****Ageing for Trade Payables – Non-Current Outstanding as at 31<sup>st</sup> March 2024**

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables MSME*</b>	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

**Ageing for Trade Payables – Non-Current Outstanding as at 31<sup>st</sup> March 2023**

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables MSME*</b>	-	-	-	-	-	-
Others	-	-	-	-	20	20
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>20</b>	<b>20</b>

**Financial Ratios**

Ratio	2023-2024	2022-2023
Current Ratio	1.42	1.39
Debt-Equity Ratio	1.66	1.71
Debt Service Coverage Ratio	1.58	1.35
Return on Equity Ratio	7.0%	8.3%
Inventory Turnover Ratio	3.77	4.45
Trade Receivables Turnover Ratio	4.99	5.44
Trade Payables Turnover Ratio	16.96	16.55

Ratio	2023-2024	2022-2023
Net Capital Turnover Ratio	6.83	8.45
Net Profit Ratio	1.9%	2.0%
Return on Capital Employed	17.8%	18.8%

### Disclosure of Shareholding Promoters

Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2024 is as follows

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
Prasad Reddy Sabbella	72,97,641	30.52%	72,97,641	30.52%	0.0%
S. Sharat Reddy	18,03,300	7.54%	18,03,300	7.54%	0.0%
Devaki Reddy Sabbella	1,85,500	0.77%	1,85,500	0.77%	0.0%
S. Charita Reddy Sabbella	28,000	0.12%	28,000	0.12%	0.0%
Total	93,14,441	38.95%	93,14,441	38.95%	0.0%

Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2023 is as follows:

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
Prasad Reddy Sabbella	72,97,641	30.52%	72,97,641	30.52%	0.0%
S. Sharat Reddy	18,03,300	7.54%	18,03,300	7.54%	0.0%
Devaki Reddy Sabbella	1,85,500	0.77%	1,76,500	0.74%	0.04%
S. Charita Reddy Sabbella	28,000	0.12%	28,000	0.12%	0.0%
Total	93,14,441	38.95%	93,05,441	38.91%	0.04%

### A) Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2024 is as follows

(Rs. in lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 – 2 Years	2-3 Years	More than 3 Years	
Capital Work in Progress	32.01	95.09	-	-	127.1
CWIP - Condenser	-	-	-	-	-
CWIP – Intangible Assets	15.63	15.00	-	-	30.63
<b>Total</b>	<b>47.64</b>	<b>110.09</b>	<b>-</b>	<b>-</b>	<b>157.73</b>

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

(Rs. in lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 – 2 Years	2-3 Years	More than 3 Years	
Capital Work in Progress	95.09	-	-	-	95.09
CWIP - Condenser	29.91	-	-	-	29.91
CWIP – Intangible Assets	15.00	-	-	-	15.00
<b>Total</b>	<b>140.00</b>	-	-	-	<b>140.00</b>

### 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 maximize 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 is 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:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Share Capital	2391.25	2391.25
Free Reserves (Excluding Capital Reserve)	3647.94	3119.73
Equity (A)	6039.19	5510.98
Short term borrowings	8255.44	7269.67
Long Term Borrowings	1178.29	1547.29
Current Maturities of Long-term borrowings	618.74	606.76
Debt (B)	10052.47	9423.72
Cash and Cash Equivalents	129.29	853.12
Short Term Investments	-	-
Total Cash (C)	129.29	853.12
Net Debt (B-C) =D	9923.18	8570.60
Net Debt to Equity Ratio (D/A) =E	1.64	1.56



### Loans availed from banks/financial institutions against current assets:

The quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions are in agreement with the books of account of the Company

### 34 Previous year figures

Previous year's figures have been restated, rearranged and regrouped, wherever necessary to enable comparability of the current year's position of accounts with that of the relative previous year's position.

### 35 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 28<sup>th</sup> May 2024.

**For and on behalf of the Board of Directors**

**For A.R. KRISHNAN & ASSOCIATES**

Chartered Accountants

**FRN No: 0098055**

**B. Anandaramakrishnan**

Partner

**M.No. 209122**

**Place: Nellore**

**Date: 28<sup>th</sup> May 2024**

**S. PRASAD REDDY**

Managing Director

**(DIN : 00069094)**

**N. Thyagarajan**

**Chief financial officer**

**S. SHARAT REDDY**

Executive Director

**(DIN : 02929724)**

**M. Balamurugan**

**Company Secretary**

## INDEPENDENT AUDITORS' REPORT

### To The Members of SHARAT INDUSTRIES LIMITED Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Sharath Industries Limited ('the Parent') and its associates (together referred to as the "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024, the Consolidated Statement of Profit and Loss (inclusion other comprehensive income) for the year then ended, the Consolidated Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanator information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, of its consolidated profit and other comprehensive loss, its consolidated cash flows and the consolidated changes in equity for the year ended.

#### Basis of Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the

Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we have determined that there are no key audit matters to communicate in our report.

#### Information other than the financial statements and auditors' report thereon

The Parents's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this

other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Consolidated Financial Statements**

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

In preparing the Consolidated financial statements, the respective managements of the companies included in the Group are responsible for assessing each Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls systems in place with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the companies included in the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We also communicate with those charged with governance of the parent and such other Companies included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Independent Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Parent and on the basis of written representations received by the management from the directors of its associates as on 31<sup>st</sup> March, 2024, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- g) 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 on the pending litigations on its financial position in the consolidated financial statements – Refer Note 30 to the Consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- h) The parent of its associates has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- i) Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being



tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail."

- j) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid to the directors during the year is in accordance with the section 197 of the Act. The remuneration paid to any director is not in excess of the limit.

**For A.R. KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 0098055

**B. Anandaramakrishnan**

**Partner**

**Membership No.: 209122**

**UDIN : 24209122BKEPRU9161**

Place: Chennai

Date: 28/05/2024



## **“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) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.**
- B) The company has maintained proper records showing full particulars of intangible assets;**
- b) All the Property, Plant and Equipment have been physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment 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 the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company.**
- d) The company is following cost model, hence revaluation of property, plant and equipment (including right of use assets) or intangible assets or both for the year is not applicable.**
- e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements.**

**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 and the procedures followed were appropriate. No Discrepancies were noticed on verification between the physical stocks and book records that were 10% or more in the aggregate for each class of inventory.**
- b) The company has been sanctioned working capital of Rs. 85.00 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets; and the statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.**

**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) of the Order are not applicable to the Company and hence not commented upon.

iv) According to the information and explanations given to us and on the basis of examination of the records, the company has not provided any loans or any guarantee or security or made any investment as specified under section 185 and section 186 of the Companies Act, 2013. Hence, the clause 3(iv) of the order is not applicable.

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. . Hence, the clause 3(v) of the order is not applicable.

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. Hence, the clause 3(vi) of the order is not applicable.

vii) In respect of statutory dues:

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess 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, 2024 for a period of more than six months from the date they became payable.

b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2024 on account of disputes are given below

Name of the Statute	Nature of dues	Forum where the Dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
Customs Act, 1962	Customs Duty	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2004-2005	76.31
Finance Act, 1994 (Chapter IV)	Service Tax	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2015-2016	31.50

viii) In respect of surrendered or disclosed an unrecorded income:

The company has not surrendered or disclosed any unrecorded income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1963).

ix) a) According to the information and explanations given to us and as per the records produced to us, the company does not make any default in repayment of loan or other borrowings or in the payment of interest thereon to any lender.

b) As per the information obtained, the company has not been declared as wilful defaulter by any bank or financial institutions or other lender.

c) In respect of term loan, the company were applied for the purpose of which the loans were obtained.

d) In respect of short term loan, the fund raised on short term basis have not been utilized for long term purpose.



- e) According to the information and explanations given to us and on overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under Companies Act 2013. Accordingly, clause 3(ix)(e) of the order is not applicable.
- f) According to the information and explanations given to us and procedure performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its associates as defined under the Companies Act 2013. Accordingly, clause 3(ix)(f) of the order is not applicable.
- x) In respect of fund raised.
  - a) The company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year.
  - b) The company has made private placement of shares during the year, requirement of section 42 and section 62 of companies act 2013 has been complied and fund raised has been used for the purpose for which the funds were raised.
- xi) In respect of fraud
  - a) 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
  - b) No report was filed under sub-section (12) of section 143 of the companies with the central government.
  - c) During the year no whistle-blower complaints were received by the company.
- xii) In respect of Nidhi Company:
 

The Company is not a Nidhi Company. Hence, 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 Indian Accounting Standards.
- xiv) In respect of internal audit system.
  - a) The Company has internal audit system as appropriate with size and nature of its business.
  - b) In respect of Internal audit report, internal audit report for the period were considered during the audit.
- 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 Non-banking financial activities.
  - a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
  - b) The Company does not conduct any Non-banking financial or Housing Finance activities

- c) The company is not a core investment company (CIC) as defined in regulation made by the Reserve Bank of India, Hence the clause 3(xvi)(c) of the order is not applicable.
- xvii)** As per the information and explanation furnished to us, the company did not make any cash loss during the year.
- xviii)** Based on the information and explanation given to us, no such resignation of the statutory auditor was occurred during the year.
- xix)** On the basis of the financial ratios, ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement, based on our knowledge of the director and management plans, in our opinion there is no material uncertainty exist as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from balance sheet date.
- xx)** According to the information and explanation given to us, the company Liability towards CSR activities are spent and no unspent amount of CSR liability is with Company, hence clause 3(xx) of the order is not applicable.

**For A.R. KRISHNAN & ASSOCIATES**

Chartered Accountants

FRN : 0098055

**B. Anandaramakrishnan**

**Partner**

**Membership No.: 209122**

**UDIN : 24209122BKEPRU9161**

Place: Chennai

Date: 28/05/2024

## **"ANNEXURE B" TO 'THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHARAT INDUSTRIES LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of **SHARAT INDUSTRIES LIMITED** ("Parent Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the parent company and its associates as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Parent Company and its associate's internal financial controls with reference to Consolidated Financial Statements 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 and the audit evidence obtained by the other auditor referred in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the Consolidated financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, 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

**B. Anandaramakrishnan**

**Partner**

**Membership No.: 209122**

**UDIN : 24209122BKEPRU9161**

Place: Chennai

Date: 28/05/2024

## SHARAT INDUSTRIES LIMITED

### STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH 2024

(Rs. in Lakhs)

	Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2024
I	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Property, Plant & Equipment	3	4,623.29	4,931.84
	(b) Capital Work in Progress	3	157.73	140.00
	(c) Intangible Assets	3	-	-
	(d) Intangible Assets under Development			
	(e) Financial Assets	4	-	-
	(f) Deferred Tax Asset			
	(g) Other Non-Current Assets	4.1	262.92	253.34
	(h) Trade Receivables	4.2	430.40	435.41
	<b>Total Non-Current Assets</b>		<b>5,474.35</b>	<b>5,760.60</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	5	6,667.72	5,513.57
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	6	5,651.76	5,602.07
	(iii) Cash and Cash Equivalents	7	129.29	853.12
	(iv) Bank Balances Other than (iii) above	8	375.50	346.92
	(v) Others	8.1	235.82	465.37
	(c) Other Current Assets	9	1,850.69	1,234.86
	<b>Total Current Assets</b>		<b>14,910.77</b>	<b>14,015.92</b>
	<b>TOTAL ASSETS</b>		<b>20,385.12</b>	<b>19,776.52</b>
II	<b>EQUITY &amp; LIABILITIES</b>			
	<b>(1) Equity</b>			
	(a) Equity Share Capital	10	2,391.25	2,391.25
	(b) Other Equity	11	6,001.36	5,473.15
	<b>Total Equity</b>		<b>8,392.61</b>	<b>7,864.40</b>

(Rs in Lakhs)

	Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2024
	<b>(2) Non-Current Liabilities</b>			
	(a) Financial Liabilities		-	-
	(i) Borrowings	12	676.32	1,050.21
	(ii) Other Financial liabilities[other than those specified in (b) below]	12.1	501.97	497.09
	(iii) Trade Payables	12.2	-	20.00
	(b) Provisions	13	36.39	29.41
	(c) Deferred Tax Liabilities (Net)	14	289.42	235.81
	<b>Total Non-Current Liabilities</b>		<b>1,504.09</b>	<b>1,832.52</b>
	<b>(3) Current Liabilities</b>			
	(a) Financial Liabilities		-	-
	(i) Borrowings	15	8,874.18	7,876.43
	(ii) Trade Payables	16	1,218.93	1,603.29
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	7.13	9.52
	(b) Other Current Liabilities	18	22.05	21.08
	(c) Provisions	19	366.12	569.28
	<b>Total Current Liabilities</b>		<b>10,488.41</b>	<b>10,079.60</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>20,385.12</b>	<b>19,776.52</b>
Significant Accounting Policies & Notes forming part of the financial statements		1 & 2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For 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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**N. Thyagarajan**  
Chief Financial Officer

**M. Balamurugan**  
Company Secretary

**Place : Nellore**  
**Date: 28-05-2024**

**SHARAT INDUSTRIES LIMITED**  
**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH 2024**

(Rs. in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
I	Revenue from Operations	20	30,215.92	33,253.83
II	Other Income	21	58.77	346.89
III	<b>Total Income (I+II)</b>		<b>30,274.69</b>	<b>33,600.72</b>
IV	<b>Expenses</b>			
	(a) Cost of Materials Consumed	22	24,370.26	25,363.90
	(b) Purchase of Stock in trade			
	(c) Changes in Inventory	23	(1,418.75)	(859.06)
	(d) Employee Benefits Expense	24	720.686	765.54
	(e) Finance Costs	25	938.78	858.68
	(f) Depreciation and Amortisation Expense	3	469.50	424.03
	(g) Other Expenses	26	4,428.29	6,138.92
	<b>Total Expences (IV)</b>		<b>29,508.77</b>	<b>32,692.02</b>
V	<b>Profit Before Exceptional items and Tax (III-IV)</b>		<b>765.92</b>	<b>908.69</b>
	<b>Share of Profit/(Loss) from Associate</b>		-	(4.90)
VI	Exceptional Items		-	-
VII	<b>Profit Before Tax (V-VI)</b>		<b>765.92</b>	<b>903.79</b>
VIII	<b>Tax Expense</b>			
	(a) Current Tax		125.28	152.13
	(b) Mat Credit Entitlement		82.63	84.42
	(c) Deferred Tax		(29.29)	17.72
IX	<b>Profit /(Loss) for the year (VII-VIII)</b>		<b>587.30</b>	<b>649.52</b>
X	<b>Other Comprehensive Income</b>		0.69	-
	Items that will not be reclassified to profit/(loss)		-	(11.27)

(Rs.in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2024	For the Year ended Mar 31, 2023
XI	<b>Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [IX+X])</b>		- <b>587.99</b>	- <b>638.26</b>
XII	<b>Earnings per Equity Share [Nominal Value of Rs.10/- per share]</b>	27	-	-
	(1) Basic		2.46	2.67
	(2) Diluted		2.46	2.67
	Face Value of the Share		10	10

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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**N. Thyagarajan**  
 Chief Financial Officer

**M. Balamurugan**  
 Company Secretary

**Place : Nellore**  
**Date: 28-05-2024**



## SHARAT INDUSTRIES LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(Rs.in Lakhs)

S.No	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit / (Loss) Before Extraordinary Items and Tax</b>	<b>765.92</b>	<b>903.79</b>
	<b>Adjustments for:</b>		
	Depreciation and impairment of Property, plant and equipment	469.50	424.03
	Amortisation and impairment of intangible assets	-	-
	Loss on sale of Investments	-	-
	Finance Costs	938.78	858.68
	Gratuity	0.96	-15.61
	Wealth Tax	-	-
	(Profit)/Loss on Sale of Vehicle	-	-
	Interest Income	(20.65)	(22.67)
	Share of Loss from Associate	-	4.90
	Creditors no Longer Payable	-	-
	Capital Subsidy	-	-
	Provision for Bad and Doubtful Debts	-	-
	<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>2,154.51</b>	<b>2,153.13</b>
	<b>Changes in Working Capital:</b>	<b>-</b>	<b>-</b>
	<b>Adjustment for (Increase) / Decrease in Operating Assets</b>		
	Inventories	(1,154.15)	(19.59)
	Trade Receivables	(44.68)	141.95
	Short term Loans and Advances	229.55	(78.58)
	Bank Balances Other than cash & Cash Equivalents	(28.58)	(246.75)
	Others	(615.82)	(336.69)
	<b>Adjustment for Increase / (Decrease) in Operating Liabilities</b>	<b>-</b>	<b>-</b>
	Trade Payables	(384.36)	343.66
	Other Current Liabilities	(1.42)	(78.68)
	Long Term Provisions	6.98	15.03
	Short Term Provisions	(203.15)	(8.47)
	<b>Cash generated from operations</b>	<b>(41.12)</b>	<b>1,885.00</b>
	Cash outflow due to Exceptional Items	-	-

S.No	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
B.	<b>Cash generated from operations</b>	<b>(41.12)</b>	<b>1,885.00</b>
	Net Income Tax (Paid)/Refund	(125.28)	(152.13)
	<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A</b>	<b>(166.40)</b>	<b>1,732.87</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital Expenditure on Fixed Assets	(160.96)	(770.38)
	Decrease / (Increase) in Capital Work in Progress	(17.73)	114.66
	Proceeds from Sale of Fixed Assets	-	-
	Long Term Loans and Advances	(9.57)	1.00
	Interest Received	20.65	22.67
	Investment in Joint Venture	-	-4.90
	<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B</b>	<b>(167.61)</b>	<b>-636.94</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds / (Repayment) from / of Long Term Borrowings	(373.89)	(180.56)
	Current Maturities of Long term Debt/ Other Financial Liabilities	4.88	13.50
	Other Short term Borrowings	997.75	191.37
	Trade Payables	(20.00)	(60.50)
	Finance Costs	(938.78)	(858.68)
	capital subsidy received from government	-	-
	Share Warrants related Premium Money received	-	190.00
	Interim Dividend Paid	(59.78)	
	<b>NET CASH FROM / (USED IN ) FINANCING ACTIVITIES - C</b>	<b>(389.82)</b>	<b>(704.87)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(723.83)</b>	<b>391.06</b>
	<b>Cash and Cash Equivalents at the beginning of the year (i.e. 1<sup>st</sup> April)</b>	<b>853.12</b>	<b>462.06</b>
	<b>Cash and Cash Equivalents at the end of the Year (i.e., 31<sup>st</sup> March 2024)</b>	<b>129.29</b>	<b>853.12</b>

(Rs in Lakhs)

S.No	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	<b>Reconciliation of Cash and Cash Equivalents with the Balance sheet</b>	-	-
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)	-	-
	<b>Cash and Cash Equivalents at the end of the year</b>	-	-
	<b>Comprises:</b>	-	-
	Cash on hand	10.17	5.11
	Balance with Banks	-	-
	- in Current Accounts	119.12	848.01
	- in Deposit Accounts	-	-
		<b>129.29</b>	<b>853.12</b>

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

**B. Anandaramakrishnan**  
**Partner**  
**M.No. 209122**  
**UDIN: 24209122BKEPRV7389**

**N. Thyagarajan**  
Chief Financial Officer

**M. Balamurugan**  
Company Secretary

**Place : Nellore**  
**Date: 28-05-2024**

## Notes forming part of the Financial Statements

### (I) Assets

#### 1) Non Current Assets

(Rs.in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Non Current Assets</b>		-	-
<b>Financial Assets</b>			
Equity instruments in Joint Venture	4.00	-	-
<b>Total</b>		-	-
<b>Other Non-Current Assets</b>	4.10	-	-
<b>Unsecured, Considered Good</b>		-	-
(to Parties other than related Party)		-	-
<b>Capital Advances</b>		-	-
<b>Advances Other than Capital Advances</b>		-	--
Balances With Government Authorities		-	-
Security Deposits		262.92	253.34
Other Advances		-	-
<b>Total (a+b+c)</b>		<b>262.92</b>	<b>253.34</b>
(h) Trade Receivables	4.20	430.40	435.41
Less : Allowance for Doubtful debts		-	-
<b>Total</b>		<b>430.40</b>	<b>435.41</b>
<b>2) Current Assets</b>			
(A) Inventories :	5.00	-	-
(As valued and certified by the Management)		-	-
(i) Raw Materials		292.20	367.85
(ii) Finished Goods		6,231.98	4,813.23
(iii) Stock of Spares		143.54	332.49
(iv) Biological Asset		-	-
		<b>6,667.72</b>	<b>5,513.57</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(B) Financial Assets :</b>			
(i) Trade Receivables :	6.00	-	-
Trade Receivables		5,673.96	5,624.28
Less : Allowance for Doubtful debts		-	-
		<b>5,673.96</b>	<b>5,624.28</b>
Receivables from Related Parties		-	-
<b>Total</b>		<b>5,673.96</b>	<b>5,624.28</b>
Current		<b>5,673.96</b>	<b>5,624.28</b>
Non-Current		-	-
<b>Breakup of Good and Doubtful Debts</b>		-	-
Unsecured, Considered good		5,673.96	5,624.28
Unsecured, Considered doubtful		-	-
<b>Total</b>		<b>5,673.96</b>	<b>5,624.28</b>
<b>Impairment Allowance (allowance for bad and doubtful debts):</b>		-	-
Unsecured, Considered good		5,673.96	5,624.28
Unsecured, Considered doubtful		(22.21)	(22.21)
<b>Total</b>		<b>5,651.76</b>	<b>5,602.07</b>
<b>(ii) Cash and Cash Equivalents :</b>	7.00	-	-
(a) Cash on hand		10.17	5.11
(b) Balances with Banks:		-	-
i) in Current Accounts		119.12	848.01
ii) Deposits with original maturity of less than 3 months		-	-
<b>Current</b>		<b>129.29</b>	<b>853.12</b>
<b>Non-Current</b>		-	-
<b>(ii) Bank Balances Other Than Referred Above</b>	8.00	-	-
(a) Earmarked balances :		-	-
i) Unclaimed dividend account		-	-
ii) In deposit accounts		375.50	346.92
(b) Balances with banks :		-	-
Deposits with original maturity of more than 3 months		-	-
(c) EEFC Balances		-	-
(d) Deposit Accounts		-	-
<b>Total</b>		<b>375.50</b>	<b>346.92</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
(v) Others	8.10	235.82	465.37
<b>(C) Other Current Assets</b>	<b>9.00</b>	-	-
(a) Loans and Advances to Employees		-	-
Unsecured, considered good		5.60	1.89
Less : Provision for Doubtful Advances		-	-
		<b>5.60</b>	<b>1.89</b>
(b) Loans and Advances to Vendors & Others		15.04	15.70
(c) Prepaid Expenses		36.00	33.80
(d) Balances with Government Authorities		317.65	565.30
(e) Others		1,476.40	618.18
		<b>1,850.69</b>	<b>1,234.86</b>

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

(Rs.in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
a) Equity Share Capital	10.00	-	-
<b>Authorised :</b>			
Equity Shares of Rs. 10/- each		5,000.00	5,000.00
No. of shares FY : 5,00,00,000 (PY : 5,00,00,000)		-	-
		<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up:</b>			
Equity Shares of Rs. 10/- each fully paid up		2,391.25	2,391.25
No. of shares FY : 2,39,12,500 (PY : 2,39,12,500)		-	-
		<b>2,391.25</b>	<b>2,391.25</b>

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

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

(Numbers in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At March 31, 2023
<b>Equity Shares:</b>			
Number of Shares at the beginning of the year		239.125	239.125
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
<b>Number of Shares at the end of the year</b>		<b>239.125</b>	<b>239.125</b>

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

(Rs in Lakhs)

Name of Share holder	Note No.	As At Mar 31, 2023	As At Mar 31, 2023
		No. of Shares - % held	No. of Shares - % held
S. Prasad Reddy		7297641 : 33.15%	7297641 : 33.15%
S. Sharat Reddy		1803300 : 8.19%	1803300 : 8.19%
<b>b) Other Equity</b>	<b>11.00</b>	-	-
<b>Capital Reserve</b>			
Opening Balance		1,408.32	1,408.32
Add: Additions during the year		-	-
Closing Balance A		<b>1,408.32</b>	<b>1,408.32</b>
<b>Capital Subsidy</b>			
Opening Balance		-	-
Closing Balance B		-	-
<b>Share Premium</b>			
Opening Balance		950.00	950.00
Add: Additions during the year		-	-
Closing Balance C		<b>950.00</b>	<b>950.00</b>
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>			
Opening Balance		3,114.83	2,476.57
Add: Profit for the year		587.99	638.26
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment		-	-
Less: Interim Dividend		(59.78)	-
Closing Balance D		<b>3,643.04</b>	<b>3,114.83</b>
<b>Total ( A+B+C+D )</b>		<b>6,001.36</b>	<b>5,473.15</b>

## 2) Non Current Liabilities

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(a) Financial Liabilities</b>	<b>12.00</b>	-	-
(i) Borrowings		-	-
Term Loan from Bank (Secured)		615.52	844.41
Hire Purchase Loans From Banks		32.74	62.14
From Others		28.05	143.66
<b>Total</b>		<b>666.32</b>	<b>1050.21</b>
(ii) Other Financial Liabilities		-	-
Other Loans	12.10	420.65	420.65
Advances from Customers		25.00	15.00
MPEDA		56.31	61.43
Deferred Advance from Rental Deposits		-	-
		<b>501.97</b>	<b>497.09</b>
(iii) Trade Payables	12.20	-	20.00
<b>(b) Provisions</b>	<b>13.00</b>	-	-
<b>Provision for employee benefits</b>			
Post Retirement Benefits		36.39	29.41
Compensated Absences			
		<b>36.39</b>	<b>29.41</b>
<b>(c) Deferred Tax Liability</b>	<b>14.00</b>	-	-
On account of brought forward Losses		-	-
Deferred Tax Liability		-	-
On difference between book balance and tax balance of fixed assets		289.42	318.44
Deferred Tax Asset		-	-
On Account of Minimum Alternate Tax		0.00	82.63
<b>Net Deferred Tax Asset</b>		<b>289.42</b>	<b>235.81</b>

**A. Nature of Security:**

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



**3. Current Liabilities**

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15.00	-	-
<b>Loans Payable on Demand</b>		-	-
From Banks		8,255.44	7,269.67
Current Maturities of Long Term Borrowings		618.74	606.76
		<b>8,874.18</b>	<b>7,876.43</b>
(ii) Trade Payables	16.00	-	-
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		1,073.35	1,587.73
- For Expenses and Others		145.59	15.56
		<b>1,218.93</b>	<b>1,603.29</b>
(iii) Other Financial Liabilities	17.00	-	-
Provision for Gratuity		7.13	9.52
		<b>7.13</b>	<b>9.52</b>
<b>(b) Other Current Liabilities</b>	18.00	-	-
(i) Statutory Remittances		22.05	21.08
(ii) Advances from Customers		-	-
(iii) MPEDA		-	-
		<b>22.05</b>	<b>21.08</b>
<b>(c) Provisions</b>	19.00	-	-
<b>Provision for others</b>		-	-
(a) Provision for Taxes (Net of Advance Tax)		62.47	28.21
(b) Provision for Expenses		303.66	541.07
		<b>366.12</b>	<b>569.28</b>
<b>TOTAL (a+b+c)</b>		<b>10,488.41</b>	<b>10,079.60</b>

## 4) Revenues

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Revenue from Operations:</b>	<b>20.00</b>	-	-
(a) Sale of Products		29,048.90	31,988.00
(b) Sale of Services		-	168.66
(c) Other Operating Revenues		1,167.02	1,097.17
		<b>30,215.92</b>	<b>33,253.83</b>
<b>Sale of Products:</b>			
Sale of Shrimp - Export		21,080.71	23,072.44
Sale of Feed		4,986.63	7,049.18
Sale of Raw Shrimp		3,072.20	2,026.32
Sale of Chemicals		-	-
Sale of Shrimp - Interstate		-	-
<b>Total</b>		<b>29,139.54</b>	<b>32,147.93</b>
<b>Less:</b>			
<b>Sales Return</b>		(5.15)	-
<b>Turnover Discount</b>		(85.49)	159.94
<b>Net Turnover</b>		<b>29,048.90</b>	<b>31,988.00</b>
<b>Sale of Services:</b>			
Job Work Charges		-	168.66
		-	<b>168.66</b>
<b>Other Operating Revenue:</b>			
Export Incentives		1,115.95	1,051.67
Sale of Shrimp shell waste/Scrap		39.61	26.26
Miscellaneous Income		11.46	19.24
		<b>1,167.02</b>	<b>1,097.17</b>
<b>Other Income :</b>	<b>21.00</b>		
(a) Interest Income			
(i) On Bank Deposits		20.65	15.25
(ii) On Others		8.94	7.43
(b) Net gain on Foreign Currency Transactions		(1.53)	190.88
(c) Other Non-Operating Income		30.71	133.33
(d) Profit on sale of vehicle		-	-
		<b>58.77</b>	<b>346.89</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Consumption of Raw Materials and Packing Materials	22.00	-	-
Opening Stock		616.85	1,456.32
Add: Purchases		24,105.65	24,524.43
		<b>24,722.50</b>	<b>25,980.75</b>
Less: Closing Stock - Raw Material	23.00	352.24	616.85
		<b>24,370.26</b>	<b>25,363.90</b>
<b>Changes in Inventory of finished goods:</b>		-	-
<b>Inventories at the end of the year</b>		-	-
Finished Goods - Feed & Shrimps		6,231.98	4,813.23
		<b>6,231.98</b>	<b>4,813.23</b>
<b>Inventories at the beginning of the year</b>		-	-
Finished Goods - Feed & Shrimps		4,813.23	3,954.17
		<b>4,813.23</b>	<b>3,954.17</b>
Stock Loss		-	-
(a) Finished goods/Stock in trade		-	-
(b) Work-in-progress		-	-
<b>Total Stock loss</b>		-	-
<b>(Increase) / Decrease in stock</b>		<b>(1,418.75)</b>	<b>(859.06)</b>

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Employee Benefits Expense :</b>	24.00		
Salaries, wages and bonus		692.54	725.23
Staff Welfare and contribution to other Funds		28.14	40.32
		<b>720.69</b>	<b>765.54</b>
<b>Finance Costs :</b>	25.00	-	-
Interest Expense on:		-	-
(i) Interest		938.78	858.68
(ii) Other Borrowing Costs		-	-
		<b>938.78</b>	<b>858.68</b>

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
<b>Other Expenses</b>	<b>26.00</b>	-	-
<b>Manufacturing Expenses</b>		-	-
Power & Fuel		739.86	684.10
Repairs & Maintenance		-	-
- Buildings		4.02	3.43
- Plant & Machinery		65.63	52.04
- Electricals		20.17	35.62
Other Manufacturing Expenses		1,135.54	1,508.55
(a)		<b>1,965.22</b>	<b>2,283.74</b>
<b>Selling Expenses</b>		-	-
Advertisement		3.91	4.31
Ocean freight and export expenses		1,620.69	2,576.30
Marketing Expenses		141.10	119.90
Discount Allowed		4.75	69.98
(b)		<b>1,770.46</b>	<b>2,770.48</b>
Other expenses		-	-
Audit Fees		-	-
For Statutory Audit		2.50	2.50
For Taxation purpose		1.00	1.00
Return preparation		0.50	0.50
For Other Services		-	1.50
Audit Expense		2.64	1.18
Bank Charges		32.53	50.70
CSR Expenditure	<b>28.00</b>	12.10	-
Bad Debts		-	257.61
Donation		1.27	1.35
Consultancy Fees		176.01	149.21
Communication Expenses		3.07	3.43
General Expenses		56.28	53.52
Fuel Charges		-	-
Insurance		22.47	18.62
Legal, Statutory & Documentation Charges		4.27	4.28
Listing Fee		3.25	3.00
Loss on sale of vehicle		-	1.43

(Rs in Lakhs)

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Inspection Charges		0.09	0.13
Office Maintenance		15.88	28.12
Printing & Stationery		8.09	8.78
Registration & Renewals		23.60	11.21
Rates & Taxes		216.11	222.89
Security Charges		30.74	36.26
Office Rent		15.72	20.53
Foreign Currency Loss		-	-
Foreign Currency Loss - NL		5.11	135.29
Cold Storage Maintenance		-	-
Revocation Fees to SEBI		-	-
Travelling & Conveyance Expenses		27.79	44.07
Vehicles Maintenance		31.58	29.09
(c)		<b>692.62</b>	<b>1,084.70</b>
<b>Grand Total (a+b+c)</b>		<b>4,428.29</b>	<b>6,138.92</b>

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
Earnings per Share	27	-	-
Profit / (Loss) After Tax attributable to Equity Shareholders		587.99	643.16
Weighted average number of equity shares		239.13	239.13
Basic & Diluted Earnings per Share		2.46	<b>2.69</b>
Face Value of the Share		10.00	<b>10.00</b>

### Corporate Social Responsibility Expenditure

Particulars	Note No.	As At Mar 31, 2024	As At Mar 31, 2023
a. Amount required to be spent by the Company during the Year	<b>28.00</b>	12.10	-
b. Amount of Expenditure Incurred		12.10	-
c. Shortfall at the end of the Year		-	-
d. Total of Previous Years Shortfall		-	-
e. Reason for Shortfall:		No Shortfall	-
f. Nature of CSR Activities:		Adults with disabilities	-
g. Details of related Party Transactions		-	-

## SHARAT INDUSTRIES LIMITED : NELLORE

### Notes forming part of the Financial Statements

Note - 3: Fixed Assets

(Rs.in Lakhs)

Particulars	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Lab Equipments	Computers	Electrical Fixtures	Pond Construction	Jetty	Tools & Equipments	Total PPE	Capital WIP
<b>Cost or Deemed Cost</b>														
<b>At March 31, 2024</b>	<b>5,63,43,922</b>	<b>14,27,59,059</b>	<b>36,98,21,917</b>	<b>54,55,982</b>	<b>6,06,91,152</b>	<b>86,20,058</b>	<b>17,32,803</b>	<b>26,69,739</b>	<b>1,25,08,918</b>	<b>4,06,64,764</b>	<b>53,48,201</b>	<b>1,67,04,805</b>	<b>72,33,74,835</b>	<b>1,40,00,361</b>
Additions	4,35,000	3,54,710	1,23,46,832	2,64,435	-	8,31,471	-	4,85,588	7,11,167	-	-	6,66,525	<b>1,60,95,728</b>	<b>49,67,982</b>
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>31,95,246</b>
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>5,67,78,922</b>	<b>14,31,13,769</b>	<b>38,21,68,749</b>	<b>57,30,417</b>	<b>6,06,91,152</b>	<b>94,51,529</b>	<b>17,32,803</b>	<b>31,55,327</b>	<b>1,32,20,085</b>	<b>4,06,64,764</b>	<b>53,48,201</b>	<b>1,73,71,330</b>	<b>73,94,70,563</b>	<b>1,57,73,097</b>
<b>Depreciation and Impairment</b>														
<b>At March 31, 2024</b>	<b>-</b>	<b>4,36,34,229</b>	<b>11,05,43,453</b>	<b>32,76,444</b>	<b>3,35,74,581</b>	<b>40,24,715</b>	<b>8,60,061</b>	<b>18,76,625</b>	<b>78,68,923</b>	<b>1,51,10,289</b>	<b>25,10,797</b>	<b>69,10,648</b>	<b>23,01,90,766</b>	<b>-</b>
Depreciation charge for the year	-	66,46,066	2,77,56,205	6,09,785	51,19,050.95	12,68,342	1,64,530	4,07,474	11,62,051	21,58,613	3,58,685	12,99,672	4,69,50,474	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>-</b>	<b>5,02,80,295</b>	<b>13,82,99,658</b>	<b>38,86,229</b>	<b>3,86,93,632</b>	<b>52,93,057</b>	<b>10,24,591</b>	<b>22,84,099</b>	<b>90,30,974</b>	<b>1,72,68,901</b>	<b>28,69,483</b>	<b>82,10,320</b>	<b>27,71,41,240</b>	<b>-</b>
<b>Carrying Amount</b>														
<b>As at March 31, 2024</b>	<b>5,67,78,922</b>	<b>9,28,33,474</b>	<b>24,38,69,091</b>	<b>18,44,187</b>	<b>2,19,97,520</b>	<b>41,58,472</b>	<b>7,08,212</b>	<b>8,71,228</b>	<b>41,89,110</b>	<b>2,33,95,862</b>	<b>24,78,718</b>	<b>91,61,011</b>	<b>46,23,29,323</b>	<b>1,57,73,097</b>
As at March 31, 2024	5,63,43,922	9,91,24,831	25,92,78,464	21,89,537	2,71,16,571	45,95,343	8,72,741	7,93,114	46,39,994	2,55,54,475	28,37,404	97,94,158	49,31,84,069	1,40,00,361
As at March 31, 2022	5,50,81,762	10,24,83,753	22,35,43,501	24,64,120	2,56,13,047	30,96,784	10,37,271	6,65,329	49,48,483	2,77,13,088	31,96,089	86,36,635	45,85,23,377	2,54,66,767
As at March 31, 2021	5,44,13,672	10,84,09,041	18,02,83,235	21,79,383	3,05,10,318	10,41,068	11,97,699	6,30,740	25,80,315	2,98,71,700	35,54,774	85,53,416	42,32,25,363	2,12,67,960
As at March 31, 2020	5,17,07,172	11,00,23,379	17,10,31,034	22,32,269	2,95,54,278	9,74,727	13,61,843	7,38,386	31,75,388	3,20,30,313	39,13,460	92,93,781	41,60,36,028	1,57,29,362
As at March 31, 2019	5,17,07,172	11,48,05,835	17,96,61,086	23,93,842	2,93,62,280	11,07,870	15,25,987	4,85,282	37,89,160	3,41,88,925	42,72,145	95,30,450	43,28,30,033	26,99,426
As at March 31, 2018	5,14,71,672	8,45,07,604	15,83,89,879	29,58,419	2,19,61,085	16,06,543	16,90,131	2,70,761	44,09,432	3,63,47,538	46,30,830	29,46,346	37,11,90,239	66,66,313

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

### Corporate Information

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

### 1 Basis of Preparation of Consolidated Financial Statements

#### Statement of Compliance with Ind AS

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

#### Basis of preparation and measurement

The Consolidated 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 Consolidated 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

## 2 Significant Accounting Policies

### 2.1 Property, Plant and Equipment (PPE)

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

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

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in the Consolidated financial statements.

#### 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. All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.

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



(i) Computer software

Computer software are stated at cost, less accumulated amortization 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) Amortization methods and periods

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

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

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

### **2.4 Non-derivative Financial Instruments**

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

#### **Cash and cash equivalents**

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

#### **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized 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 amortized 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 recognized in profit or loss.

#### **Financial liabilities**

Financial liabilities are measured at amortized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 2.5 Impairment

### Financial assets (other than at fair value)

Financial assets (other than at fair value) The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized 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 recognized from initial recognition of the receivables.

### PPE and intangible 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 recognized in the Statement of Profit and Loss.

## 2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realizable 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 realizable 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.

Biological assets of the Company comprise of live stocks of shrimps' breeders and different phases of shrimp that are classified as current biological assets. The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

## 2.7 Revenue recognition

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

### Sale of goods

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

Export benefits are accounted on recognition of export sales.

Revenue from the sale of Feeds is recognized 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 capitalized. Tangible assets used in research and development are capitalized.

## 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 recognized 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 recognized 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 recognized in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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 recognized 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 recognized 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 capitalized 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 capitalization. All the other borrowing costs are recognized 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 recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 utilized.

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 utilized.

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 realized 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 recognized 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 Consolidated financial statements unless an inflow of economic benefits is probable.

## **2.16 Earnings per share (EPS)**

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

## **27 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's Consolidated 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 recognized in the Consolidated 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 Consolidated 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.

### 28 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)
4	N Thyagarajan	Key Managerial Person - Chief Financial Officer
5	Katyayini Aquatech Pvt Ltd	S. Devaki Reddy – One of the Directors in the Company
6	SP Enterprises	S. Prasad Reddy – Managing Partner of the firm S. Sharat Reddy – One of the Partners of the firm
7	United Aquatech Pvt Ltd	Associate Company



## Related Party Transactions

(Rs. In Lakhs)

Particulars	Name of the company	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of shrimp	Katyayini Aquatech P Ltd	1810.03	1,016.24
	SP Enterprises	1209.92	418.90
	United Aquatech Pvt Ltd	163.39	276.60
Sale of Shrimp / Feed	Katyayini Aquatech P Ltd	1691.07	1,146.03
	SP Enterprises	652.08	797.75
	United Aquatech Pvt Ltd	35.51	192.57

## Transactions with key management personnel:

(Rs. In Lakhs)

Key management Personnel	Particulars of payment	For the Year Ended March 31, 2024	For the Year Ended march 31, 2023
S. Prasad Reddy	Remuneration	72.00	72.00
S. Sharat Reddy	Remuneration	60.00	60.00
S. Devaki Reddy	Rent	8.82	8.82
N. Thyagarajan	Salary	9.00	0.9
M. Bala Murugan	Salary	11.40	0.0

## 29 Gratuity and other post-employment benefit plan

(Rs. In Lakhs)

Sl. No.	Particulars	As At March 31, 2024	As At March 31, 2023
	Defined Benefit Plan	-	-
a)	Defined benefit obligation at the beginning of the year	38.93	18.53
b)	Current Service Cost	5.25	5.10
	Interest Cost	2.84	1.15
	Actuarial (Gain)/loss	(0.96)	15.61
	Benefits Paid	(2.54)	(1.47)
	Defined benefit obligation at the end of the year	43.52	38.93
	Expense recognized during the year	-	-
	Current Service Cost	5.25	5.10
	Interest Cost	2.84	1.15
	Actuarial Assumptions	-	-
	Discount Rate (per Annum)	7.18%	7.30%
	Rate Escalation in salary (per Annum)	10.00%	10.00%

### Sensitivity Analysis (Gratuity)

(Rs. In lakhs)

Sl. No.	Particulars	Amount	Impact (Absolute)	%	Amount	Impact (Absolute)	%
a)	Discount Rate (-0.50/+0.50%)	44.07	0.55	1.26%	42.99	(0.53)	(1.22%)
b)	Salary Inflation (-1/+1 %)	42.49	(1.03)	(2.36%)	44.59	1.07	2.46%
c)	Withdrawal rate (-5/+5 %)	45.24	1.73	3.97	42.10	(1.42)	(3.26%)

### Maturity Profile of Defined Benefit Obligation (Gratuity)

(Rs. In lakhs)

Particulars	31-Mar-24	31-Mar-23
Year 1	10.93	9.53
Year 2	8.52	7.79
Year 3	7.69	6.61
Year 4	6.13	5.65
Year 5	6.56	4.51
After 5 <sup>th</sup> Year	13.63	14.13
<b>Total</b>	<b>53.46</b>	<b>48.22</b>

## 30 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 summarized 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, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Customs & Excise Duty	76.31	76.31
Service Tax	31.50	31.50
Income Tax (CIT, Appeals)	0	96.61

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.

### Contingencies related to guarantees.

Name of bank	As at March 31, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Financial guarantees given to Companies	1300.00	1300.00

Guarantee creates a possible obligation on the company. The management believes that the likelihood of an actual outflow of resources due to these guarantees are remote and the potential liability is not expected to materialize.

### Amount in respect of other claims

#### Bank Guarantees issued on behalf of the company

Name of bank	As at March 31, 2024 (Rs. in lakhs)	As at March 31, 2023 (Rs. in lakhs)
Federal bank	15.2	15.2
Axis Bank	150.81	148.96
<b>Total</b>	<b>166.01</b>	<b>164.16</b>

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 Operating Segment Reporting

The Company's only Business is Integrated Aqua Culture and related activities and hence there is no separate reportable segment as per Indian Accounting Standard 108 on "Operating Segment" prescribed in Companies (Indian Accounting Standards) Rules, 2015.

### 32 Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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 summarized 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, 2024 and March 31, 2023

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, 2024, 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, 2024 would decrease or increase by Rs. Nil. (March 31, 2023 : Rs. Nil).

### 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, 2024		Currency	As at March 31, 2023	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	14,28,088	7,22,413	USD	18,45,180	9,65,245

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, 2024		Currency	As at March 31, 2023	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	83.41	70,567.50	USD	82.17	87,993.50

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

(Rs.In Lakhs)

Classes of Financial Assets	As at March 31, 2024	As at March 31, 2023
Investments	-	-
Trade Receivable	6,082.16	6,037.48
Cash and bank balances	129.29	853.12
Bank Balances other than above bank balances	375.50	346.92
Other Financial assets	-	-
<b>Total</b>	<b>6,586.95</b>	<b>7,237.52</b>

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

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

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

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

### Liquidity risk

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2023 and March 31, 2024.

(Rs. In. Lakhs)

As at 31st March 2024	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	8,874.18	676.32	-	9,550.50
Trade Payables	1,218.93	-	-	1,218.93
Other Financial Liabilities	7.13	81.32	420.65	509.10
<b>Total</b>	<b>10,100.24</b>	<b>757.64</b>	<b>420.65</b>	<b>11,278.53</b>

As at 31st March 2023	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	7,876.43	1,050.21	-	8,926.63
Trade Payables	1,603.29	20.00	-	1,623.29
Other Financial Liabilities	9.52	497.09	-	506.60
<b>Total</b>	<b>9,489.23</b>	<b>1,567.29</b>	<b>-</b>	<b>11,056.53</b>

### Trade Receivables-Billed-Current (Rs. In lakhs)

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022
Trade Receivables-Billed	5673.96	5624.28
Less: Allowance for Doubtful trade receivables – Billed	(22.21)	(22.21)
<b>Considered Good</b>	<b>5651.76</b>	<b>5602.07</b>

### Ageing for Trade Receivables – Current Outstanding as at 31st March 2024

(Rs. In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables-considered good	3025.23	1952.57	673.96	-	-	-	5651.75
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>3025.23</b>	<b>1952.57</b>	<b>673.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5651.75</b>

**Ageing for Trade Receivables – Current Outstanding as at 31st March 2023**

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables-considered good	2672.93	2137.17	791.97	-	-	-	5,602.07
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2672.93</b>	<b>2137.17</b>	<b>791.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,602.07</b>

**Trade Receivables-Billed-Non-Current**

(Rs. in Lakhs)

Particulars	As At 31st March 2024	As At 31st March 2023
Trade Receivables-Billed	430.40	435.41
Less: Allowance for Doubtful trade receivables – Billed	-	-
Considered Good	430.40	435.41

## Ageing for Trade Receivables – Non-Current Outstanding as at 31st March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6month – 1Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables-considered good	-	-	-	-	-	-	-
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	143.73	286.68	430.40
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>143.73</b>	<b>286.68</b>	<b>430.40</b>

## Ageing for Trade Receivables – Non-Current Outstanding as at 31st March 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 month – 1year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Receivables – Billed</b>							
Undisputed trade receivables-considered good	-	-	-	-	-	-	-
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	202.84	232.57	-	435.41



Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 month – 1 year	1-2 Years	2-3 Years	More Than 3 Years	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	202.84	232.57	-	435.41

### Trade Payables

#### Ageing for Trade Payables – Current Outstanding as at 31st March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables</b>						
MSME*		-	-	-	-	-
Others	1218.93	-	-	-	-	1218.93
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	1218.93	-	-		-	1218.93

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

#### Ageing for Trade Payables – Current Outstanding as at 31st March 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Trade Payables</b>						
MSME*	41.5	33.93	-	-	-	75.43
Others	544.91	982.96				1527.87
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>586.41</b>	<b>1016.88</b>	-	-	-	<b>1603.29</b>

## Trade Payables

## Ageing for Trade Payables – Non-Current Outstanding as at 31st March 2024

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Trade Payables MSME*	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

## Ageing for Trade Payables – Non-Current Outstanding as at 31st March 2023

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Trade Payables MSME*	-					
Others	-	-	-	-	20	20
Disputed Dues – MSME*	-					
Disputed Dues – Others	-					
<b>Total</b>	-	-	-	-	20	20

## Financial Ratios

Ratio	2023-2024	2022-2023
Current Ratio	1.42	1.39
Debt-Equity Ratio	1.66	1.71
Debt Service Coverage Ratio	1.58	1.35
Return on Equity Ratio	7.0%	8.3%
Inventory Turnover Ratio	3.77	4.45
Trade Receivables Turnover Ratio	4.99	5.44
Trade Payables Turnover Ratio	16.96	16.55
Net Capital Turnover Ratio	6.83	8.45
Net Profit Ratio	1.9%	2.0%
Return on Capital Employed	17.8%	18.8%

## Disclosure of Shareholding Promoters

Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2024 is as follows:

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
PRASADREDDY SABELLA	72,97,641	30.52%	72,97,641	30.52%	0.0%
S. SHARAT REDDY	18,03,300	7.54%	18,03,300	7.54%	0.0%
DEVAKI REDDY SABELLA	1,85,500	0.77%	1,85,500	0.77%	0.0%
S. CHARITA REDDY	28,000	0.12%	28,000	0.12%	0.0%
Total	93,14,441	38.95%	93,14,441	38.95%	0.0%

Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2023 is as follows:

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
PRASADREDDY SABBELLA	72,97,641	30.52%	72,97,641	30.52%	0.0%
S. SHARAT REDDY	18,03,300	7.54%	18,03,300	7.54%	0.0%
DEVAKI REDDY SABBELLA	1,85,500	0.77%	1,76,500	0.74%	0.04%
S. CHARITA REDDY	28,000	0.12%	28,000	0.12%	0.0%
Total	93,14,441	38.95%	93,05,441	38.91%	0.04%

## A) Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

(Rs. in lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 – 2 Years	2-3 Years	More than 3 Years	
Capital Work in Progress	32.01	95.09	-	-	127.1
CWIP - Condenser	-	-	-	-	-
CWIP – Intangible Assets	15.63	15.00	-	-	30.63
<b>Total</b>	<b>47.64</b>	<b>110.09</b>	<b>-</b>	<b>-</b>	<b>157.73</b>

**Ageing for capital work-in-progress as at March 31, 2023 is as follows: (Rs. in lakhs)**

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 – 2 Years	2-3 Years	More than 3 Years	
Capital Work in Progress	95.09	-	-	-	95.09
CWIP - Condenser	29.91	-	-	-	29.91
CWIP – Intangible Assets	15.00	-	-	-	15.00
<b>Total</b>	<b>140.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140.00</b>

**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 maximize 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 is 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:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Share Capital	2391.25	2391.25
Free Reserves (Excluding Capital Reserve)	3647.94	3119.73
Equity (A)	6039.19	5510.98
Short term borrowings	8255.44	7269.67
Long Term Borrowings	1178.29	1547.29
Current Maturities of Long-term borrowings	618.74	606.76
Debt (B)	10052.47	9423.72
Cash and Cash Equivalents	129.29	853.12
Short Term Investments	-	-
Total Cash (C)	129.29	853.12
Net Debt (B-C) =D	9923.18	8570.60
Net Debt to Equity Ratio (D/A) =E	1.64	1.56

### Loans availed from banks/financial institutions against current assets:

The quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions are in agreement with the books of account of the Company

### 34 Previous year figures

Previous year's figures have been restated, rearranged and regrouped, wherever necessary to enable comparability of the current year's position of accounts with that of the relative previous year's position.

### 35 Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on 28th May 2024.

### Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidates as Subsidiary/Associates

#### Part A: Associates

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

(Rs. In Lakhs, except number of shares)

Name of Associates	United Aquatech Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2024
2. Shares of associates held by the company on the year end	
Number of shares	49000
Amount of investment in Associates	4.90
Extent of holding %	49%
3. Description of how there is significant influence	Significant influence in the financial and operating policy decisions of the entity
4. Reason why the associate/ joint venture is not consolidated	Not Applicable
5. Net worth attributable to Shareholding as per latest Audited Balance Sheet	(10.12)
6. Profit/ (Loss) for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	(10.61)

For and on behalf of the Board of Directors

For A.R. Krishnan & Associates

Chartered Accountants

F.R. No. 0098055

B. Anandaramakrishnan

Partner

M.No. 209122

Place: Nellore

Date: 28-05-2024

S. Prasad Reddy

Managing Director

DIN : 00069094

N. Thyagarajan

Chief Financial Officer

S. Sharat Reddy

Executive Director

DIN: 02929724

M. Balamurugan

Company Secretary

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Thirty-Fourth (34<sup>th</sup>) Annual General Meeting (AGM) of the Members of the **SHARAT INDUSTRIES LIMITED ("the Company")** will be held on **Monday, 30<sup>th</sup> September 2024, at 11:00 A.M (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses;

### ORDINARY BUSINESSES | ORDINARY RESOLUTION

- 1. Adoption of the Audited Standalone and Consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024, together with the reports of the Board of Directors and Auditors thereon:**

*To consider passing the following resolution as an **Ordinary Resolution**:*

**"RESOLVED THAT** - the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2024 together with reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

- 2. To confirm the Interim Dividend for the Year 2023-2024**

*To consider passing the following resolution as an **Ordinary Resolution**:*

**RESOLVED THAT** - the Interim dividend of ₹ 0.25 declared and paid for every equity share of face value of ₹10 each on 2,39,12,500 equity shares, by the Board of Directors of the Company as per Resolution passed on 14<sup>th</sup> November 2023 absorbing a total sum of ₹ 59.78 lakhs, be and is hereby noted and confirmed as the final dividend for the financial year ended 31<sup>st</sup> March 2024.

- 3. To appoint a Director in place of Mr. Shanmugam P (DIN: 08877587), who retires by rotation and being eligible, offers himself for re-appointment:**

*To consider passing the following resolution as an **Ordinary Resolution**:*

**"RESOLVED THAT** - pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shanmugam P (DIN:08877587) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

By order of the Board of Directors  
For **SHARAT INDUSTRIES LIMITED**

**M. BALAMURGAN**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
M.NO:A66115

Place: Nellore  
Date:22<sup>nd</sup> July 2024

Registered Office: Vekkannapalem Village, T.P Gadur Mandal  
Nellore District, Andhra Pradesh - 524002  
e-mail: cs@sharatindustries.com  
Website: www.sharatindustries.com  
CIN: L05005AP1990PLC011276

## NOTES

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 read with Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI read with the circulars issued earlier on the subject (collectively referred to as ("Circulars")) has permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circulars, the 34<sup>th</sup> AGM of the Company is being held through VC/OAVM means. The proceedings of the AGM deemed to be conducted at the Registered Office of the Company situated at Vankanna Palem Village, T P Gudur Mandal, Nellore, Andhra Pradesh, 524002.
2. In compliance with Sections 101 and 136 of the Companies Act, 2013 read with circulars, Notice of the 34<sup>th</sup> AGM along with the Annual Report for the FY 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. In case any member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2023-24 and Notice of the 34<sup>th</sup> AGM of the Company, may send request to the Company via email at [cs@sharatindustries.com](mailto:cs@sharatindustries.com) mentioning DP ID and Client ID. The Members may also note that the Notice along with the Annual Report for the Financial Year 2023-24 has been uploaded on the website of the Company at [www.sharatindustries.com](http://www.sharatindustries.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the Remote e-Voting facility) i.e. <https://www.evotingindia.com>.
3. As the Members can attend and participate in the AGM through VC/OAVM only, the facility to appoint proxies to attend and vote on behalf of the Members is not available for this AGM, and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice.
5. The Board of Directors have appointed Mr. C. Prabhakar, Partner of M/s. BP & Associates (Entity ID:83104), Practicing Company Secretaries, Chennai as scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
6. The Company has availed the services of CDSL for facilitating voting through electronic means.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Institutional investors, who are Members of the Company, may attend the 34<sup>th</sup> AGM of the Company through VC/ OAVM mode and vote electronically. Corporate members are required to send a scanned

copy (in PDF/JPG Format) of the Board Resolution/ Power of Attorney authorising its representatives to attend and vote at the AGM through VC / OAVM on its behalf pursuant to Section 113 of the Act. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to prabhakar@bpcorpadvisors.com

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
10. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The Members, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.
12. As per the provisions of Section 72 of the Act and SEBI Circular SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 as amended thereto the members holding shares in dematerialized form are requested to submit the Nomination details to their Depository Participants.
13. Members are requested to intimate to their Depository Participants the changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., for equity shares held in dematerialized form.
14. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the above and to eliminate the risks associated with physical shares, Members are advised to maintain their shares in demat mode.
15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.
16. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, 30<sup>th</sup> August 2024 have been considered for the purpose of sending the AGM Notice and the Annual Report.
17. Pursuant to Section 91 of the Companies Act 2013, the register of Members and Share Transfer Register of the Company will re-main closed from Tuesday, 24<sup>th</sup> September 2024 to Monday, 30<sup>th</sup> September 2024 (both days inclusive).

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER**

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.



- i) The voting period begins from **Friday, 27<sup>th</sup> September 2024 at 09:00 A.M. (IST) to Sunday, 29<sup>th</sup> September 2024 at 05:00 P.M. (IST)**. 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) on **Friday, 20<sup>th</sup> September 2024** may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL (Electronic Access to Securities information), can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to (Electronic Access to Securities information) is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the (Electronic Access to Securities information) user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINK IN TIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for (Electronic Access to Securities information), option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for 'IDeAS' e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

**(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders**

- 1) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

Particulars	For Shareholders holding shares in Demat Form other than individual 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 Shareholder.</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records.</p> <p>If both 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 (v).</p>

- (vi) After entering these details appropriately, click on "SUBMIT" tab
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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
- (viii) For shareholders holding shares in physical form, the details can be used only for e-Voting the resolutions contained in this Notice.
- (ix) on the EVSN Number 240903065

- (x) 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
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- (xii) 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
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

### **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- c) After receiving the login details 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.
- d) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e) 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.
- f) Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@sharatindustries.com](mailto:cs@sharatindustries.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@sharatindustries.com](mailto:cs@sharatindustries.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@sharatindustries.com](mailto:cs@sharatindustries.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM
10. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

The Scrutinizer shall, after the conclusion of the voting at the AGM, first count the votes cast at the meeting and unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the company and shall make not make later than two working days of the conclusion of the

meeting a Consolidated Scrutinizer's Report of the total votes cast in favor or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

The Statutory Registers and documents in accordance with the Companies Act, 2013 will be available for inspection in electronic mode.

The Results shall be declared by the Chairman, or any person authorized by him in this regard on or before 3<sup>rd</sup> October 2024. The result along with the Scrutiniser's Report shall also be placed on the website of the Company [www.sharatindustries.com](http://www.sharatindustries.com) and on the website of the CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com) and Stock exchange i.e., [www.bseindia.com](http://www.bseindia.com).

## ANNEXURE

**Details of the Director retiring by rotation and seeking re-appointment at the Annual General Meeting pursuant to i) Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are as under:**

Mr. Shanmugam. P (DIN: 08877587)

Age	56 Years
Nationality	Indian
Qualifications	B.Com form Delhi University.
Experience (Including Expertise in Specific Functional Area) Brief Resume.	He has experience of 20 plus years in the area of customs. His expertise in Management and Administrative.
Terms & Conditions of Appointment.	Appointed as Non-Executive Director and is liable to retire by rotation.
Remuneration Last Drawn (FY 2023-2024)	Nil
Date of First appointment on the Board	12 <sup>th</sup> November 2020
Relationship with other Directors/Key Managerial Personnel - Disclosure of relationships between directors inter-se;	Nil
No. of Shares Held in the Company	Nil
Other Directorship, Membership/Chairmanship of the Committees of other Boards (Including Listed entities)	Nil
No. of Board meetings attended during the FY 2023-2024	Four (4) meetings attended out of five (5) meetings held/conducted.
Name of listed entities from which the person has resigned in the past three years.	Nil

**By order of the Board of Directors**  
For **SHARAT INDUSTRIES LIMITED**

**M. BALAMURUGAN**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**M. NO: A66115**

**Registered Office**

Venkannapalem Village,  
T.P. Gudur Mandal  
SPSR Nellore District  
Andhra Pradesh - 524 002  
Phone : 08612331727  
Email : [cs@sharatindustries.com](mailto:cs@sharatindustries.com)  
Website : [www.sharatindustries.com](http://www.sharatindustries.com)

**Corporate Office**

Flat No. 4, Third Floor,  
Pallavi Apartments  
No. 57/11 HDFC Bank Compound  
First Main Road, R.A. Puram  
Chennai - 600 028  
Email : [chennai@sharatindustries.com](mailto:chennai@sharatindustries.com)