



SHARAT INDUSTRIES LIMITED

CIN - L05005AP1990PLC011276

Regd. Off. : Feed Plant, Hatchery & Farm

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

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

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

Date: 24th May 2022

To,

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

Dear Sir/Madam,

Sub: Submission of Annual Secretarial Compliance Report

Ref: Scrip Code: 519397

In line with the requirements of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No: CIR/CFD/CMD1/27/2019 dated 8th February 2019; we are submitting herewith the Annual Secretarial Compliance Report for the Financial Year 2021-2022 issued by Mr. Amresh Kumar, Practising Company Secretary.

Kindly take the above information on record.

Thanking You,

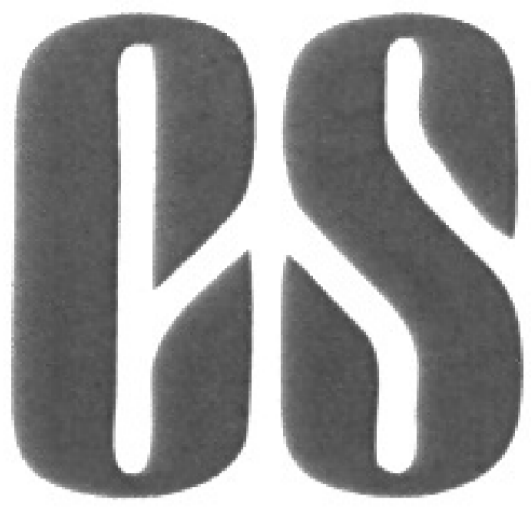
Yours Sincerely,

FOR **SHARAT INDUSTRIES LIMITED**

SABBELLA
PRASAD
REDDY

Digitally signed by
SABBELLA PRASAD
REDDY
Date: 2022.05.24
11:00:42 +05'30'

S.PRASAD REDDY
MANAGING DIRECTOR
DIN: 00069094



ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/S. SHARAT INDUSTRIES
LIMITED FOR THE YEAR ENDED 31ST MARCH 2022.

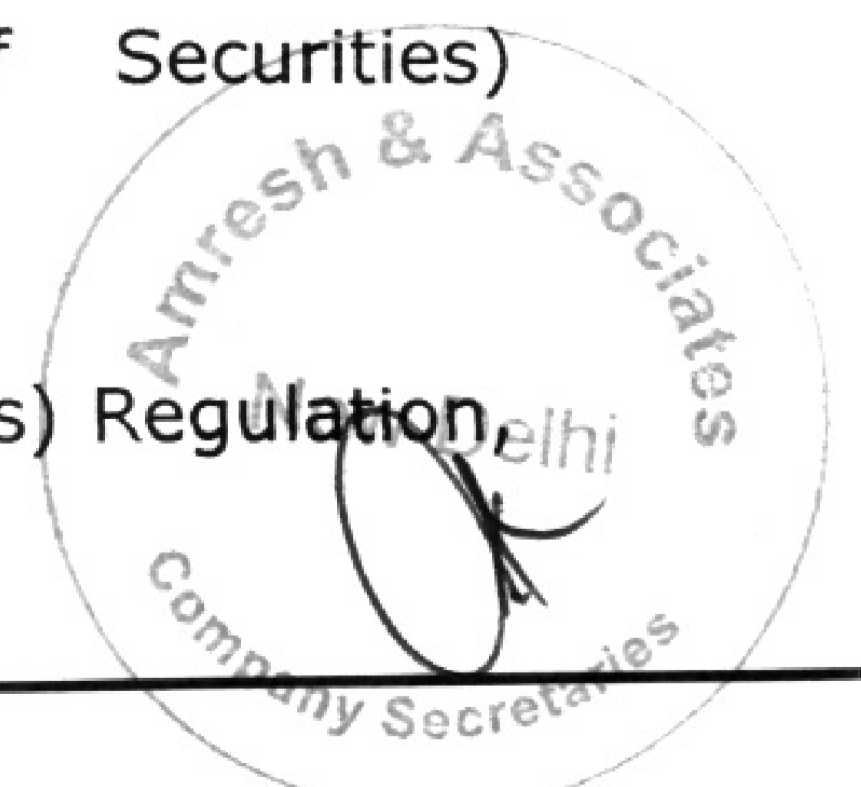
[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I Amresh Kumar, Practicing Company Secretary have examined:

- a) All the documents and records made available to us and explanation provided by M/S. **SHARAT INDUSTRIES LIMITED** ("the listed entity"), [CIN: **L05005AP1990PLC011276** having its registered office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2022 ("Review Period") in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

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

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iv. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable during the audit period)**
- v. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued there under;
- vii. Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018; **(Not applicable during the audit period)**
- viii. Securities and Exchange Board of India (Listing of Debt Securities) Regulation, 2008; **(Not applicable during the audit period)**

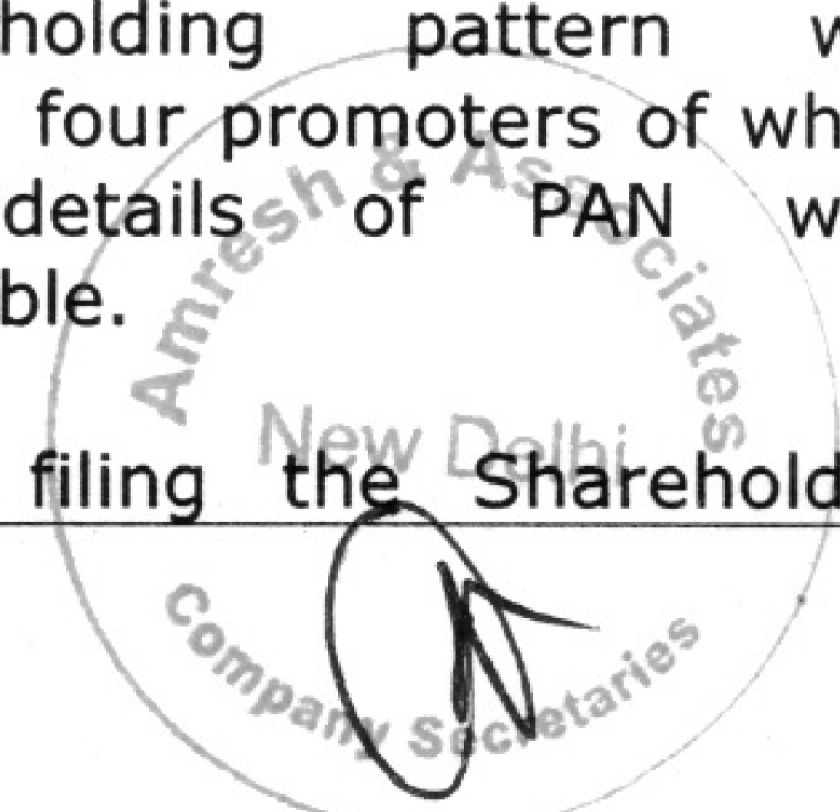


ix. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation; **(Not applicable during the audit period)**

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

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

| S.No | Compliance Requirement | Deviations | Observations/ Remarks |
|------|---|--|---|
| 1. | Regulation 31 (2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to maintain 100% of the Shareholding of the Promoters in dematerialized form. | Due to inadvertent classification of "Public" shareholders in "Promoters" category the company was not able to maintain 100% Shareholding of the Promoters in dematerialized form. | <p>In view of the said classification which was carried out inadvertently by the Company, bringing some "Public" shareholders in the Promoters' category, and classifying the same, & also classified as "Promoters", resulting in the company not able to maintain the 100% of the Shareholding of the "Promoters" in dematerialized form.</p> <p>Further, the company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 dated 26th May, 2021 requesting SEBI to approve the reclassification of "actual" 4[four] Promoters and awaiting for approval.</p> |
| 2. | Regulation 31A SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires to follow the procedure for Reclassification of Promoters. | The company was not in position to comply with the procedure for reclassification of promoters as majority of shareholders classified as "promoters" were not traceable. | <p>At the time of Initial Public offer (IPO), some of the shareholders belonging to the "Public" Category was inadvertently classified as "Promoters".</p> <p>At the time of filing Shareholding pattern for the quarter ended 30th September, 2020, the company encountered difficulty of loading Shareholding data in XBRL form as PAN details of all the promoters were required. Hence the company filed the Shareholding pattern with actual four promoters of whom the details of PAN were available.</p> <p>After filing the Shareholding</p> |



| | | | |
|----|---|---|--|
| | | | <p>pattern, company approached the SEBI for redressing the issue.</p> <p>SEBI after looking in to the matter directed the company to file a petition under Regulation 102 of SEBI (LODR) Regulation, 2015 seeking dispensation in complying with the provision of Regulation 31A of SEBI (LODR) Regulation, 2015.</p> <p>The company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 on 26th May, 2021 along with a fee of Rs. 100,000/- requesting SEBI to approve the reclassification of Promoters only with actual promoters of the company namely Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki Reddy and Mrs. S. Charita Reddy without taking route under Regulation 31A of SEBI (LODR) Regulation, 2015.</p> |
| 3. | Regulation 40 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires the transfer and transmission of securities between the promoters of the company. | Due to inadvertent classification of Promoters the company is not able to transfer securities of the promoters. | The company has filed an application under Regulation 102 of SEBI (LODR), 2015 seeking reclassification of actual promoters of the company. After the requisite order from SEBI the company will be in position to transfer the securities of the promoters of the company. |

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from my/our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

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

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



| S.No | Observations in the previous reports | Observations made in the secretarial compliance report for the year ended 31 st March 2021. | Actions taken by the listed entity, if any | Comments on the actions taken by the listed entity |
|------|--|---|---|--|
| 1 | Regulation 29 (1) (a) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to intimate Stock Exchange 5 days in advanced regarding the Board Meeting in which the Financial Results to be considered. | Due to technical issues faced by the company there was a one-day delay in complying with Regulation 29 (1) (a) of SEBI (Listing of Obligation and Disclosure Requirement) Regulation, 2015. | The Company has paid penalty amount levied by BSE for non-compliance of Regulation 29 (1) (a). | The Company has paid penalty amount levied by BSE for non-compliance of Regulation 29 (1) (a) and closed the issue |
| 2 | With effect from 1 st April, 2020 Regulation 17(1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 states that Top 2000 Listed Company based on Market Capitalization requires at least Six Directors on the Board of the Company. | The Company had only 5 Directors on the Board till 29 th September, 2020. | The company has made various representations, to BSE explaining the situation and the exchange considered the waiver of penalty levied vide its email dated April 16, 2021 | Based on the Exchange confirmation the Company has got refund the penalty amount paid to the exchange. Further the non-compliance was remedied immediately after the lock down was lifted. |
| 3 | Regulation 31 (2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to maintain 100% of the Shareholding of the Promoters in dematerialized form. | Due to inadvertent classification of "Public" shareholders in "Promoters" category the company was not able to maintain 100% Shareholding of the Promoters in dematerialized form. | The company has filed an application as directed by SEBI under Regulation 102 of SEBI (LODR) Regulation, 2015 dated 26 th May, 2021 requesting to approve the reclassification of actual four Promoters. | The Company's application under Regulation 102 of SEBI (LODR) Regulation, 2015 is under consideration and waiting for approval |
| 4 | Regulation 31A SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires to follow the procedure for Reclassification of Promoters. | The company was not in position to comply with the procedure for reclassification of promoters as majority of shareholders classified as "promoters" were not traceable. | The company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 on 26 th May, 2021 along with a fee of Rs. 100,000/- requesting SEBI to approve the reclassification of Promoters only with actual promoters of the company namely Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki | The Company's application under Regulation 102 of SEBI (LODR) Regulation, 2015 is under consideration and waiting for approval |



| | | | | |
|-----|---|--|---|---|
| | | | Reddy and Mrs. S. Charita Reddy without taking route under Regulation 31A of SEBI (LODR) Regulation, 2015. | |
| 5 | Regulation 40 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires the transfer and transmission of securities between the promoters of the company. | Due to inadvertent classification of Promoters the company is not in a position to transfer securities of the promoters. | The company has filed an application under Regulation 102 of SEBI (LODR), 2015 seeking reclassification of actual promoters of the company. | After the requisite order from SEBI the company will be in position to transfer the securities of the promoters of the company. |
| NIL | | | | |

Place: New Delhi

Date : 21st May, 2022

UDIN: A032262D000361866


 For Amresh & Associates
 (Company Secretaries)
 Amresh Kumar
 Proprietor
 M.No.32262 | CP No.22067