



# 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 : Mahalakshampuram Village, T.P. Gudur Mandal, Nellore - 524 002, Nellore Dist, A.P.

E-mail : [accounts@sharatindustries.com](mailto:accounts@sharatindustries.com), Website : [www.sharatindustries.com](http://www.sharatindustries.com)

Date: 07<sup>th</sup> September 2022

To,  
Corporate Relationship Department,  
BSE Limited  
Phiroze Jeejheebhoy Towers  
Dalal Street,  
Mumbai-532370

Scrip Code: 519397

Dear Sir/Madam

**Sub: Submission of Annual Report for the Financial Year 2021-2022**

**Ref: Regulation 34 & 44 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015**

We wish to inform that the 32<sup>nd</sup> Annual General Meeting ('AGM') of the Company is Schedule to be held on Thursday, 29<sup>th</sup> September 2022 through Video Conferencing ('VC')/ Other- Audio- Visual Means ('OVAM')

In line with requirement of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are submitting herewith the notice of the Annual General Meeting along with 32<sup>nd</sup> Annual Report of the Company for the financial year 2021-2022. The Annual report has been uploaded in the website and it is available at [www.sharatindustries.com](http://www.sharatindustries.com)

The Schedule of the AGM is set out below:

Event	Date	Time
AGM	29 <sup>th</sup> September 2022	11:00 AM (IST)
Cut-off Date to vote on AGM resolution	22 <sup>nd</sup> September 2022	NA
Book Closure Date	23 <sup>rd</sup> September 2022 to 29 <sup>th</sup> September 2022 (Both days Inclusive)	NA
Commencement of E-voting	26 <sup>th</sup> September 2022	09:00 AM (IST)
End of E-Voting	28 <sup>th</sup> September 2022	05:00 PM (IST)

Kindly take above information on records.

Thanking You

Yours Sincerely

**FOR SHARAT INDUSTRIES LIMITED**

SABBELLA  
SHARAT REDDY

Digitally signed by  
SABBELLA SHARAT REDDY  
Date: 2022.09.07 17:41:44  
+05'30'

**S. SHARAT REDDY**  
**EXECUTIVE DIRECTOR**  
**DIN:02929724**

**Corporate Off. :** Flat No. 4, 3rd Floor, Pallavi Apartments,  
No. 57/11, Old No. 29/TF4, 1st Main Road,  
HDFC Bank Compound, R.A.Puram, CHENNAI - 600 028.  
Contact No. : 044-24347867 / 24357868,  
E-mail : [chennai@sharatindustries.com](mailto:chennai@sharatindustries.com)

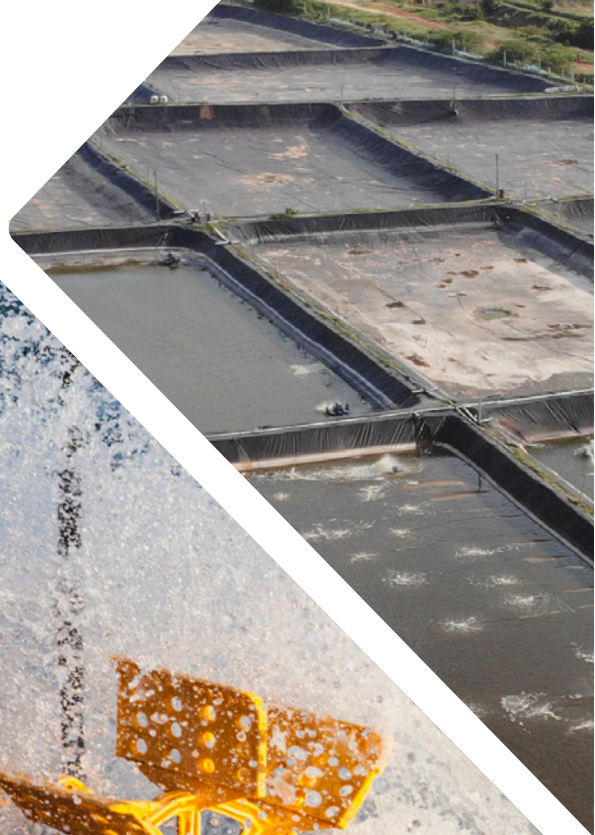
**Nellore Off. :** 16-6-143, Opp. Manasa Apartment,  
Srinivasa Agraharam, Nellore - 524 001.  
Tel. No. : 0861 - 2331727  
E-mail : [hrd@sharatindustries.com](mailto:hrd@sharatindustries.com)



**SHARAT INDUSTRIES LIMITED**

32<sup>nd</sup> Annual Report

2021-2022



**Perseverance  
through  
Innovation**



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FY 2021-22 was a challenging year for Sharat Industries Limited. Despite the extreme circumstances in many parts of the year, the company delivered a strong performance, registering better profitability while generating a similar revenue compared to the earlier year. This was possible mainly because of data driven decision making, teamwork and a substantial amount of courage and perseverance.

Moving forward, the company intends to achieve growth through strategic collaborations, innovation and a higher focus on sustainability in its operations.

The company believes that technology will play a major role in fueling growth, efficiency and long term consistency. Hence, it will continue to invest time and resources in those areas to ensure a bright future for the organisation and its stakeholders.



# Corporate Information

## Board of Directors

- 1. Mr. S. Prasad Reddy**  
Managing Director
- 2. Mr. S. Sharat Reddy**  
Whole Time Director (ED)
- 3. Mrs. Durga Thota**  
Independent Director
- 4. Mr. Ch. Kishore Kumar**  
Independent Director
- 5. Mr. Harihar Venkata Muthyam**  
Independent Director
- 6. Mr. P. Shanmugam**  
Non-Executive Director

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

P.S.S & Co., Chartered Accounts

## SECRETARIAL AUDITORS

M/s. Amresh & Associates – Practising  
Company Secretaries

## CHIEF FINANCIAL OFFICER

Mr. B. Durga Prasad

## COMPANY SECRETARY AND COMPLIANCE OFFICERS

Mr. B. Vignesh Ram – Up to 11<sup>th</sup> January 2022  
Mrs. R. Jasvadhya- From 27<sup>th</sup> May 2022

## BANKERS

THE FEDERAL BANK LIMITED  
AXIS BANK LIMITED

## REGISTERED OFFICE

Venkannapalem Village T.P Gudur Mandal  
SPSR Nellore District  
Andhra Pradesh - 524 405

## CORPORATE OFFICE

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

## FEED MARKETING OFFICE

Flat 2B, 2nd Floor, Block B  
Sea Doll Apartments, Nowroji Road  
Vishakapatnam

## 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 is one of India's oldest vertically integrated aquaculture companies with operations across shrimp hatchery, farming, shrimp feed manufacturing, shrimp processing and cold storage.**

We are the pioneers in Vannamei (white shrimp) culture in India and have played a critical role in the revival of the shrimp industry in India. This was the result of tremendous amount of effort in this direction over a period of 4 years.

We offer a wide range of frozen shrimp products that meet stringent quality standards to leading food services clientele across the globe. The vertically integrated supply chain ensures that premium quality products at every level are combined to generate shrimp of the highest quality.

## Our Competitive Advantage

Through supply of good quality feed and seed, we have a symbiotic relationship with our network of farmers, who are an integral part of our supply chain. Our Competitive Advantage

quality standards and supply reliability. Our feed has high nutritional value facilitating cost-effective shrimp growth. Our processed shrimps are antibiotic-free and certified by leading global certification agencies.

With over 23 years of experience in the production of Shrimp feed, we offer shrimp feed in multiple sizes (for different stages of shrimp growth) under the brand VANNASTAR.

### Strong brand recall

Our products (feed and processed shrimps) have a strong brand recall due to the high-

### Wide product range

We offer a wide range of processed shrimps that meet the diverse requirements of customers globally.

### Strategically located

Close proximity of our Processing plant to the farm and our network of farmers ensures freshest quality shrimp for processing.

- 30+**  
Years of experience

---

- 20+**  
International Customers

---

- 30+**  
Domestic Customers

---

- 194**  
Employees

---

- 50**  
Farmer Relationships

---

- 10+**  
Countries of export

---

- 13**  
Product varieties  
(10 raw and 3 cooked)

## Our Global Presence



Map not to scale. For illustrative purpose only.

**Well-integrated farmer network**

Our robust farmer network ensures accurate product traceability and the procurement of healthy, antibiotic-free shrimp.

**Favourable business environment**

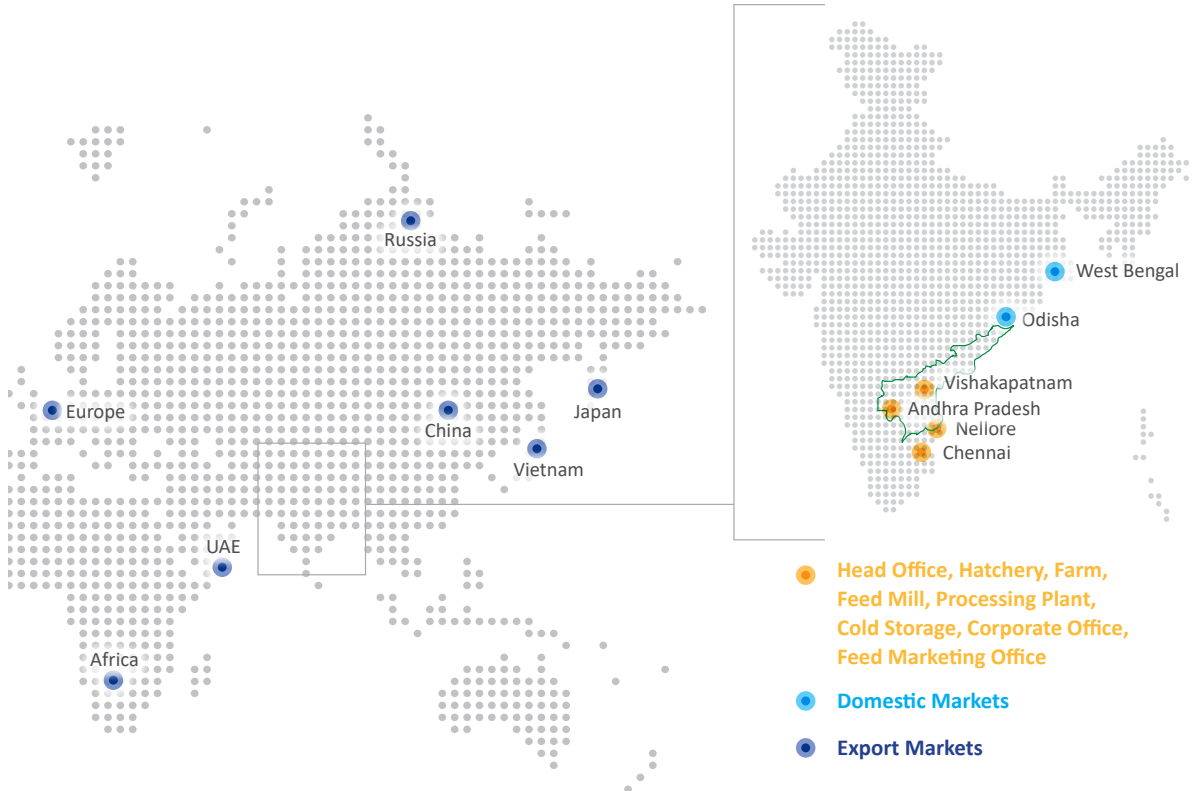
Located in Andhra Pradesh, which has policies & regulations promoting the growth of aquaculture.

**Vertically integrated**

Our presence across the shrimp value chain enables quality control and cost effective operations across every stage. With over 30 years of experience in the field, the company has strong relationships with its supply chain partners and customers.

**Large farm area**

We have one of the largest shrimp farms in India that has the capacity to farm over 2000 tonnes of shrimp annually.



# Business Verticals Across the Value Chain

## Hatchery



### Capacity: 400 million seedlings per annum

- Produces Vannamei seedlings
- Long-term association with SIS, Florida
- Uses only specific pathogen-free (SPF) broodstock to ensure stringent quality and disease-resistant seedlings

### Key developments FY 2021-22

- Under renovation - facilities being upgraded to increase operational efficiency

## Farm



### Capacity: 2,000 tonnes shrimp per annum

- 500 acres of land located on the coast of the Bay of Bengal facilitating use of seawater for the farming operations
- Well-planned interlocking concrete canals for uninterrupted supply of seawater. Sufficient availability of bore water sources to provide optimal mix of salinity and other water parameters.

### Key developments FY 2021-22

- Took measures to improve the biosecurity at the farm. This reduces risk of disease transmission and shrimp mortality in farm operations.
- Introduced automatic feeding machines to reduce the dependency on manpower and to improve the feeding efficiency.
- Pilot farming project with UAL Biotech - successful results despite extreme weather
- Company in talks to setup a JV

## Our extensive product range



### Raw White Shrimp

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

### Cooked White Shrimp

- Cooked Headless Shell-On
- Cooked Peeled and De-veined Tail-On
- Cooked Peeled and De-veined Tail-Off
- Cooked Peeled and Un-De-veined (PUD)
- Cooked Head-On

### Feed Mill



**Capacity: 20,000 tonnes per annum**

- Produces high-quality and nutritional shrimp feed marketed under VANNASTAR brand that is widely recognised and accepted by farmers.

**Key developments FY 2021-22**

- Entered the market of Karnataka , which is expected to be an emerging market in terms of shrimp feed requirement.
- Strengthened customer selection process, majority of whom are from unorganised sector, to improve payment collections. This played a significant role in keeping collections in check, despite the impact of the pandemic.
- Ensured timely delivery of feed to our customers despite significant disruptions caused in the supply chain on account of COVID-19. This was possible through dynamic strategies and the support of the employees and vendors.
- Company expanded vendor base to have more competitive pricing in RM

**Capacity: 7,500 tonnes frozen shrimps per annum**

- State-of-the-art infrastructure and ultra-modern processing equipment for high quality processing operations

### Processing Unit



**Key developments FY 2021-22**

Despite the impact of COVID-19 on the supply chain and operations, the processing division registered a growth of more than 35% in terms of export volume/value.

Higher capacity utilisation lowered the impact of rise in operational expenditure on account of external circumstances (COVID-19) and ensured reasonable profitability.

- Increased value of exports to lucrative markets like USA and lowered sales to China to ensure that smooth operations took place despite the international crisis that prevailed during most of the financial year.
- Significant investment was made in upgradation of critical plant and machinery to enhance operational efficiency and lower running costs.
- State of the art cooking line was imported - Contributes for increase of export volume in F.Y 23
- up gradation from 11 KV to 33 KVA was completed during the year

### Product quality certifications



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



# Letter From the Managing Director



Dear Shareholders,

I am pleased to present to you our annual report for FY 2021-22. Having withstood the onslaught of 2 waves of the Covid pandemic, your Company has achieved a sustainable performance. Being an integrated aquaculture company with over 30 years of experience in the industry, your company relied on its core business values to promote stable performance during the course of a turbulent year for business overall.

## The year in retrospect

In the past year, the demand for processed seafood was fairly steady. There were other challenges, however. There was an unprecedented increase in international ocean freight, with a dearth of liners, which adversely affected demand and supply of sea transport facilities. In addition, the steep increase in fuel prices affected the entire supply chain of raw materials for various processes. An increase in pricing of certain critical commodities like Soya, Maida and Fish meal played a significant role in

the increase of feed manufacturing costs. Finally, adverse weather conditions curtailed production at the farm level during the latter half of the financial year.

Amidst this challenging background, your Company continued its aquaculture operations, produced shrimp feed for the domestic market, expanded its market base to more states within the country, and invested in infrastructure for a new range of processed shrimp products. Your Company has enhanced its production capacities with a view to strategically associating with other firms, for optimal operational efficiency. Your company has exported shrimp largely to the U.S.A, the Middle East and China.

While the overall revenue remained steady with the previous year, there was an increase in profitability as a result of improved operational efficiencies in several parts of the supply chain. Strong support from the customer and vendor base played a critical role in maintaining steady business amidst a challenging business environment

## Message to the shareholders

Your Company is one of the oldest integrated aquaculture companies in India. We have experimented with the culture of different shrimp species since the company's inception. Having pioneered Vannamei culture in India, it gives us immense pride to see that Vannamei is widely cultured in almost all parts of our country, contributing in a big measure not only to the national exchequer but also to the foreign exchange earnings of the country. We are confident of robust growth in the sector over the next decade and believe that the domestic

market poses a major opportunity for the aquaculture industry in India.

Glancing back at the year gone by, I can say with reasonable confidence that we have successfully countered most of the challenges that have come

our way, making us emerge steadier and stronger. I extend my deepest appreciation to all our associates, stakeholders and employees whose faith in our company has given us the strength to move forward. We seek your continued support to take the company to greater heights.

Warm regards,

**S. Prasad Reddy**  
Managing Director



## Letter from Executive Director



Dear Shareholders,

Yet another challenging year has gone by, and your company has remained strong despite the circumstances. Businesses and economies across the globe were affected by the second wave of the COVID-19 pandemic, which had a deeper impact than the previous year. It took a significant amount of timely effort and operational synergy amongst the employees, vendors, customers and stakeholders of the company to keep the ship steady amidst choppy waters. We are grateful to everyone who played their part in supporting your company's journey through a difficult year.

I am happy to announce that your company delivered an improved performance in terms of net operating profit, which saw an increase of more than 30

percent when compared to the previous financial year. The overall revenue of the company remained steady despite volatile business conditions. A series of continuous improvements in processes enabled the company to lower the negative impact of COVID-19 on the supply chain. With over 32 years of experience in the industry, your company boasts an impressive mix of youth and experience amongst its employees. It was a combination of experienced decision-making from the senior members of the company along with the energy of the younger employees that drove optimism and progress in troubled times.

It gives us tremendous pride to state that our reliance on our company's core values played a major role in the strong performance for the year. Our unwavering focus on product and process quality helped maintain steady sales and production during the year. Our diverse customer base at the international and domestic level enabled quick and effective trade decisions in a volatile economic background. The measures taken during the first wave of the pandemic paid their dividend in terms of nil casualties from COVID and to this date, there remains a high standard of sanitation and hygiene across all parts of the company. We are thankful to God for not having lost anyone in our

company to COVID during the last two years.

Over the next few years, your company intends to increase its export offerings and also collaborate with strategic partners for improved operational efficiency in the shrimp farming and seafood processing sectors. With technological advances coming through at the farm level in the recent past, your company is in an optimal position to enhance its productivity and profitability in a phased manner. Your company is currently focusing on product development at the seafood processing division to delve further into value-added production to augment operational profitability in the export and domestic markets. By adding a state-of-the-art cooking line to its impressive list of processing machinery and infrastructure, your company intends to offer a wide range of cooked and frozen products to its customers during the years to come.

A pilot project with a strategic player (UAL Biotech) at the farm division during the year prompted your company to setup a Joint Venture, under the name of United Aquatech Private Limited, with a view to rapidly increasing farm level output as well as expansion of farming and sourcing activities in other regions

of Andhra Pradesh. The initial results were very encouraging, and the company intends to progress in a phased manner over the next few years.

With the long-term view of increasing domestic market penetration for frozen seafood products, your company intends to associate with strategic players in the sector during the course of the next few years and will take up aggressive growth strategies once the initial projects yield the desired results. While we realize that it's a long and tricky road ahead, we firmly believe that this will prove to be a game changer for the company as well as the aquaculture industry in India. With a steady increase in the consumption patterns of protein in several sectors of the country, we are confident that our products will be well received and that an alternative customer base would be developed over the next few years. The focus would be on consumer-friendly packaging

as well as the establishment of distribution networks to propel sales.

Considering the energy crisis that has been looming in the country and at the global level, your company intends to foray into renewable energy to lower its overall operational costs and also improve its sustainability index. Your company's substantial land holding/asset base will play a critical part in the proposed adoption of renewable energy. We realize that in the years to come, the aquaculture industry is likely to go through certain transformations and by anticipating that in advance, we are currently putting efforts into many avenues to capitalize on the opportunities that crop up from time to time. Your company will continue to invest in technology upgradation and adoption in its supply chain as we believe that it will pave the way for long-term progress.

With the strategies clearly outlined and several resources in place already, we are confident of achieving strong growth in terms of overall revenue and profitability over the next few years. The company will take the necessary steps to plug gaps, if any and boost productivity in all aspects of the business. We sincerely appreciate the level of commitment that was showcased by your company's employees and are confident of similar levels of professionalism and hard work in the years to come. The progress of our stakeholders and team members will continue to be your company's priority and this will continue to play a major role in macro-level decision-making, moving forward. For more than 3 decades, Sharat Industries Limited has played a crucial role in shaping the aquaculture and seafood industry in India. With your unwavering support, we are confident that we can continue that journey in the decades to come!

Warm regards,

**S. Sharat Reddy**  
Executive Director

A close-up photograph of a person's hand holding a black fountain pen with a gold nib, writing on a document. The document features a blue bar chart. In the background, a laptop and other papers are visible, but they are out of focus. A semi-transparent white diamond shape is overlaid on the left side of the image, containing the text.

# **Statutory Reports and Financial Statements**

## Management Discussion and Analysis

### Global Economic Review

As per the International Monetary Fund (IMF), the global economy growth is predicted to slow from 6.1% in 2021 to 3.2% in 2022. While growth in advanced economies is projected to decelerate sharply to 2.5% in 2022 and 1.4% in 2023 after hitting 5.2% in 2021, emerging market and developing economies are projected to achieve growth of 3.6% in 2022 down from 6.8% in F.Y 2021. The International agency expects the growth rate to prevail at similar levels over 2023-2024, given that the near term challenges following the Russia – Ukraine war will continue to linger i.e., slowing down of investment plans, waning of pent-up demand and phasing out accommodative fiscal and monetary policies.

### Gross Domestic Product (GDP) Growth

Particulars	2021	2022 (P)	2023 (P)
World	6.1%	3.2%	2.9%
Advanced Economies	5.2%	2.5%	1.4%
Emerging Markets and Developing Economies	6.8%	3.6%	3.9%
India (Financial Year)	8.7%	7.4%	6.1%

Source: World Economic Outlook July 2022 Report

### OUTLOOK

Recent global outlook by the World Bank projects that the Russian invasion of Ukraine which has magnified the slowdown in the global economy, could further dent the recovery process and result in an elevated inflationary environment across the globe. Subdued growth will likely persist throughout the decade because of weak investment sentiments across major economies. With inflation now running at multi-decade highs in many countries and supply related challenges, there is a risk that inflation will remain higher for a longer duration. Global measures to counter the spike in oil and food prices, step-up of debt relief of smaller economies, strengthening efforts to contain COVID-19 and speeding up the transition to a low-carbon economy, may reduce the risk of a global recession.

### Indian Economic Review

The quick roll-out of vaccination program with Government's support and parallel pursuit of economic recovery helped India contain the effects of the COVID-19 third wave. The investment cycle is gradually picking up, as reflected in announcements by the private players, the Government's high budget allocation for capital spending and strong credit growth.

The Indian economy grew by a strong 8.7% in the fiscal year 2021-22, against a contraction of 6.6% in financial year 2020-21.

### Year-wise Indian GDP Growth (In %)

Real GDP growth (Annual %)	FY 2020	FY 2021	FY 2022
India	3.7%	-6.6%	8.9%

While the Government of India announced several reformative initiatives to regain the country's growth momentum, the COVID-19 outbreak towards the end of FY 2020 caused widespread disruptions to the economy. To facilitate the nation in battling the economic and health crisis, the Government announced an economic stimulus package of Rupees 20 lakh crore under the 'Self-Reliant India Movement', equivalent to 10% of India's GDP. The focus of the movement is to support the underprivileged, the SME sector and to revive the economy by promoting the use of local goods and services.

In the backdrop of challenging economic conditions, the IMF had projected the Indian economy to deliver GDP de-growth of -6.6% in FY 2021. However, considering the re-opening of Indian economy post lockdown restrictions and expected positive impact of the government's stimulus, IMF projects GDP growth to rebound at 8.9% in FY 2022. The impact of the government's proactive initiatives and stimulus are already visible with the Indian economy recovering faster than expected since the second half of FY 2021-22 fiscal. All key performance indices are showing upward movement. Global firms like Morgan Stanley and Goldman Sachs are bullish on the Indian economy and expect a strong rebound.

Despite near-term challenges, the fundamentals of the Indian economy remain strong as can be manifested in its improving rank in 'Ease of Doing Business' from 77 in 2018 to 63 in 2019. India's long-term growth is expected to be supported by factors such as the country's emergence as an alternative manufacturing and supply chain hub, the government's proactive policy support, and favourable crude oil prices. (source: RBI Annual report 2021-22)

## Industry Review

### Global Seafood Industry

As per the report by Allied Market Research, The global seafood market size is expected to grow from \$236.81 billion in 2021 to \$262.81 billion in 2022 at a compound annual growth rate (CAGR) of 11.0%. The global seafood market size is expected to grow to CAGR of 7.2% during the forecast period (2022-2027)

With the limitation on a further production increase via capture fishery due to overfishing, demand for aquaculture has steadily increased over the last two decades. It is expected to grow from the current 47% to 52% by 2029 as per OECD-FAO Agricultural Outlook 2020-2029.

### Growth drivers of the seafood industry

**Low penetration of seafood in global food supply:** Even as ~70% of the globe is covered by water, global seafood industry commands only 2% of the global food supply, implying huge growth potential for the industry. The rising collaboration between farmers, manufacturers, and food service providers is further expected to drive the supply of seafood.

**Improving supply chains and distribution infrastructure:** Supply chain, logistical efficiencies and rising cold storage network are reducing time-to-market and thereby improving quality, freshness and consequently demand for seafood.

**Increasing health consciousness:** With rising health awareness, demand for food containing higher protein and essential amino acids is on the rise. Consequently, this is creating a higher demand for seafood products which are rich in these nutrients.

**Economic growth and rising income levels:** With rising world prosperity and disposable income levels, consumers are exhibiting a willingness to spend higher on nutritionally-dense seafood products.

**Increasing preference for seafood over meat products:** With meat and meat products often containing harmful pesticides and chemicals, consumers are increasingly shifting their preference to healthier seafood alternatives.

### IMPACT OF COVID-19 PANDEMIC ON SEAFOOD MARKET

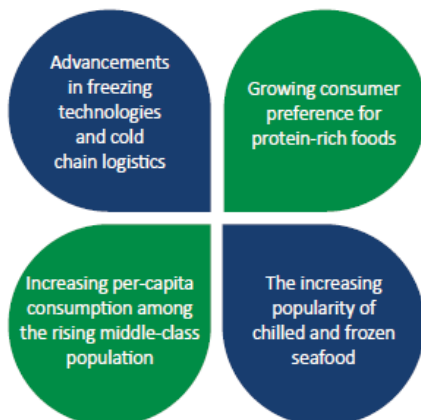
The subsequent waves of the COVID-19 pandemic from Q1 of FY 21-22 led to a decline in operational efficiencies and disturbed supply chains in various regions. Disruptions in supply chains restricted the movement of goods, which, in turn, hindered the distribution and manufacturing of various seafood products. All these factors negatively affected the seafood market. However, improved vaccination rates and the return of normalcy at major economies are expected to aid the recovery of the seafood market in the FY 2022-23.

### Global Shrimp Market

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).

Despite short-term headwinds, the global shrimp industry is well poised to deliver a healthy growth rate in the long-term due to inherent structural advantages. These include:



### Indian Seafood and Shrimp Industry

India is the 4th biggest seafood exporter in the world, with exports of marine products worth close to US\$ 7.7 billion in FY 22. The country currently exports to over 121 nations, and the Government has prioritized the goal of making India the world's top seafood exporter (Source: MPEDA). US and China have remained the top two destinations for seafood export for several years. Exports to these countries contributed ~58% of our marine exports in US\$ value terms. Although, the outburst of the coronavirus impacted the industry negatively but with gradual ease of lockdowns and resumption of trade and tourism the aquaculture industry has rebounded. Over the past year, India has faced headwinds including stricter



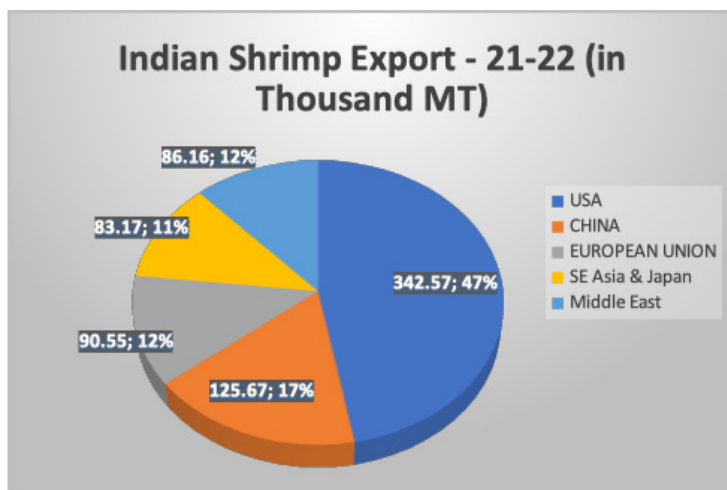
food import inspections by Chinese authorities, the spread of the omicron variant impacting global demand, and an ongoing shortage of containers and freight rate, but the rising demand domestically is expected to boost the seafood industry in the long-term. (Source: Seafoodsource.com).

The Indian shrimp market reached a value of US\$ 5.8 billion in FY 2022. Looking forward, the market is projected to reach ~US\$ 12 Billion by FY 2028, exhibiting a CAGR of 11.5% during 2022-2028 (Source: Research and Markets). Several initiatives by the Centre and various State Governments are now playing a crucial role in the growth of shrimp farming aquaculture in India. Pradhan Mantri Matsya Sampada Yojana (PMMSY) which aims at enhancing shrimp production and achieving an ambitious target of producing 1.4 million tonnes by 2024 (Source: The Hindu Businessline). Further State Governments are also promoting the use latest technologies to drive market growth by improving productivity.

### Indian Shrimp Export - Country-wise

Sea Food Export - Country wise		
Frozen Shrimp Export	FY 2021 -22 (In Thousand MT)	% market share
USA	342.57	47%
CHINA	125.67	17%
EUROPEAN UNION	90.55	12%
SE Asia & Japan	83.17	11%
Middle East	86.16	12%
TOTAL	728.12	100

Source: mpeda.gov.in



### Indian Aquafeed Industry

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. As a result of the impact of COVID on the aquaculture supply chain, the shrimp feed industry saw a 10 percent decline in

production and sales figures due to reduced shrimp production in the country. These figures are expected to increase in the next financial year owing to an overall revival of the 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.

### **Outlook**

Demand for Indian seafood and shrimp products in the global markets are witnessing a significant increase as lockdowns across the globe are being gradually scaled back. Moving ahead, demand for value-added products such as frozen, ready-to-cook, and ready-to-eat seafood that is available at retail chains, is expected to drive the industry's growth due to their convenience attributes. With an objective to capitalise on the growing global opportunity, Marine Products Export Development Authority (MPEDA) is targeting Indian seafood exports to cross Rupees 1 lakh crore mark by FY 2030.

While 2021-2022 saw several trade related issues between India and China, in the long term, China continues to present great growth potential for frozen shrimp as India stands as the third-largest player in the Chinese seafood imports after Russia and Ecuador and commands only a minor share in the US\$ 15 billion market. Shrimp export to Japan is also expected to rise due to improved black shrimp quality and relaxations in sampling norms for the quality check.

The Indian shrimp feed industry is well poised to benefit from the rising global and domestic shrimp demand and the government's policy support. Backed by these advantages, Research and Markets estimates it to grow at a compounded annual growth rate of 10% during FY 2020-24 and touch production mark of 1.8 million tonnes by 2024, registering a healthy CAGR of 10% during FY 2020-24.

### **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

Business Divisions	Capacity	Product Offerings	Unique Features
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 2022	FY 2021
Revenue from Shrimp Export	156.63	163.32
Revenue from Domestic Operations	90.41	87.66
Total	247.04	250.98

### COVID-19 impact on operations of the Company

Impact of COVID-19 and cyclone effect on the Company's financial and operational performance in FY 2022 was significant during the financial year. However, through accurate forecasting and quick decision making, the company was able to bounce back significantly and continued its strong performance and achieved a revenue similar to the previous financial year.

Extended lockdowns, strictly implemented social distancing norms and several other factors initially proved to be operational hurdles for the company. However, alternate arrangements were made within a short span of time to reduce the impact of such factors. The company is happy to report that not a single employee or member of the workforce was adversely impacted due to COVID and there were zero fatalities. This is testament to the company's efforts to raise awareness and also maintain very high levels of sanitation and hygiene.

The Company had taken, and continues to take, all precautionary measures to safeguard the health and wellbeing of its employees. It had also made efforts in roping in additional manpower in anticipation of future requirements. As a result of all these efforts, the Company has performed well so far.

## Financial Performance

### Key Financial Highlights for the Year

(Rs.in Cr)

Particulars	FY 2022	FY 2021
Total Revenue	248.1	252.83
Total Expenses	243.6	248.9
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA)	14.51	13.09
Profit after Tax (PAT)	3.46	2.58

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.

### Threats

**Intensifying global and domestic competition:** The Indian shrimp industry faces stiff competition in the global market from countries such as China, Indonesia, Vietnam and Thailand who have better infrastructure, efficient manpower and trading ties with importing nations. Furthermore, it is also witnessing intensifying domestic competition and profitability pressures as incumbents and new entrants are eyeing a larger share of the lucrative shrimp market.

**Pressure on profitability due to rising feed cost and stagnant prices:** Increasing cost of production due to increasing shrimp feed cost and competitive final prices due to increasing global supply are weighing down the profit margins of the shrimp farming business.

**Forex rate fluctuations:** With exports contributing a large share of the revenues, the industry and the Company's profitability may get severely impacted during to unfavourable currency rate fluctuations.

**Volatility in shrimp prices affecting stock value:** With shrimp becoming increasingly commoditised, any delays in order fulfilment or inventory mismanagement may severely affect the value of the open stock and consequently impact the Company's profitability.

**Increased quality norms from importing countries:** Rising quality standards of importing nations are prompting increasingly rigorous testing and screening processes at different stages of the supply chain. Failure to meet these standards may have a detrimental effect on the entire industry.

### Risks & Concerns

The aquaculture industry is a high-risk, high return industry. In line with this, the Company has a robust risk management framework in place to identify and monitor internal as well as external risks that may impact its profitability. The Company is engaged across the value chain of shrimp production and has four divisions, each of which has its own set of risks that are addressed accordingly.

**Disease Risk:** The Company proactively invests in improving and sustaining the biosecurity of its operational area, which assists in drastically reducing the risk of shrimp disease and subsequent mortality.

**Product Quality Risk:** The Company leverages its long-standing relationships with key suppliers and adheres to stringent processes while selecting the brood stock, (mother shrimp) which ensures the best quality of the farmed shrimp.

**Market Risk:** The Company exports to a diverse market across the globe instead of focussing only on a few countries and thereby achieves geographical diversification and mitigates market risk to a large extent.

**Foreign Exchange Risk:** Considering over 60% of the revenues generated through exports, the Company regularly engages in forward contracts and undertakes appropriate hedging policies to mitigate currency fluctuation risk, where possible.

**Customer Default Risk:** To mitigate customer default risk, the Company has established "material buyback" option wherein customers (farmers) of the shrimp feed division supply shrimp back to the Company's processing division, making it a sustainable business for both, farmer and the Company.

**Raw Material Risk:** The Company successfully mitigates raw material risk by leveraging goodwill and a deep relationship that has been established with large base of suppliers by providing the best quality seedlings to farmers through hatchery division.

**Operational Risk:** The Company works with a "merchant exporter" model, wherein, it undertakes job work for another company within its facilities. This helps in achieving optimum asset utilisation while reducing operational costs and boosting production volume. However, in the event that a particular product produced under this methodology does not meet an importing country's Health / Food inspection authority's standards, the company faces a risk of detention.

### Human Resources

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 & 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. The internal controls are reviewed periodically by internal auditors and the management team, ensuring timely compliance with regulations and accurate monitoring of its adequacy.

### **Cautionary Statement**

The Management Discussion and Analysis contains statements describing the Company's objectives, projections, estimates and expectations, which may be forward-looking in nature. There cannot be any guarantee of previous performance continuity as future performance also involves risks and uncertainties. These may include but are not limited to: the general market, macroeconomic conditions, interest rates movements, competitive pressures, technological and legislative developments, and other key factors that may affect the Company's business and financial performance.

## BOARD'S REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2022.

### 1. FINANCIAL HIGHLIGHTS:

Particulars	Year Ending 31.03.2022	Year Ending 31.03.2021
	(Rs. In Lakhs)	(Rs. in Lakhs)
<b>Revenue from operation</b>	24703.29	25,097.77
<b>Other Income</b>	106.73	185.61
<b>Profit before Depreciation and Interest</b>	1450.85	1,308.66
<b>Less: Interest – finance cost</b>	614.14	578.4
Depreciation	386.20	340.84
<b>Profit Before Exceptional items and Tax</b>	450.51	389.42
<b>Exceptional items</b>	-	-
<b>Provision for Tax</b>	104.62	130.94
<b>Profit after Tax</b>	345.89	258.47
Other comprehensive income net of tax.	-3.31	3.15
<b>Total comprehensive income for the year</b>	<b>342.58</b>	<b>261.62</b>
<b>Earnings Per Share</b>	<b>1.53</b>	<b>1.19</b>

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

The turnover of the company for the year ended 31<sup>st</sup> March, 2022 was 24,703.29 lakhs against Rs. 25,097.77 lakhs in the previous year. During the year the company made sales of Products Rs. 23,318.822 lakhs against Rs. 23,462.40 lakhs in the previous year, Job work receipts of Rs. 730.49 lakhs against Rs. 487.04 lakhs in the previous year and during the year the company has made an operating profit of Rs. 345.89 lakhs against Rs. 258.47 lakhs in the previous 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. IMPACT OF GLOBAL CRISIS: COVID -19**

The subsequent waves of the COVID-19 pandemic from Q1 of FY 21-22 led to a decline in operational efficiencies and disturbed supply chains in various regions. Disruptions in supply chains restricted the movement of goods, which, in turn, hindered the distribution and manufacturing of various seafood products. All these factors negatively affected the seafood market. However, improved vaccination rates and the return of normalcy at major economies are expected to aid the recovery of the seafood market in the FY 2022-23

**4. CHANGES IN SHARE CAPITAL:**

The Authorized share capital of the company stood at Rs.50,00,00,000 divided into 3,00,00,000 equity shares of Rs. 10/- each and 20,00,000 redeemable preference shares of Rs. 100/- each.

Your company has issued Rs.19,00,000 share warrants at a price of Rs. 50/- each (including premium of Rs. 40/-) to the investors.

Consequently, the paid-up equity share capital of the of the company increased to Rs.23,91,25,000 from Rs. 22,01,25,000 of Rs. 10/- each fully paid-up

**5. DIVIDEND:**

In order to retain the profits to strengthen the capital base and improve the liquidity of the company, no dividend has been recommended by the Board for the financial Year ended 31<sup>st</sup> March 2022.

**6. 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.

**7. CREDIT RATING:**

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

**8. LISTING OF SHARES:**

The Equity shares of the Company have been listed on the Bombay Stock Exchange Limited (BSE). The Company has paid applicable listing fees to the stock exchange within stipulated time.

**9. CHANGE IN NATURE OF BUSINESS:**

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

**10. 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.

**11. ALTERATION OF MEMORANDUM & ARTICLES OF ASSOCIATION**

During the year under review, your company has altered its Memorandum & Articles of Association as per the provisions of Companies Act 2013 vide Special Resolution passed at the Extra-Ordinary General meeting held on 08<sup>th</sup> December 2021.

**12. 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.

**13. THE ANNUAL RETURN:**

Pursuant to section 92(3) the Companies Act,2013 and rule 12(1) 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 2022 is available on the Company's website and can be accessed at [www.sharatindustries.com](http://www.sharatindustries.com)

#### **14. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES:**

Your Company has no Subsidiary/ Associate/Joint Venture Companies as on 31<sup>st</sup> March, 2022.

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

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

#### **16. STATUTORY AUDITORS:**

The Members of the company at the 27<sup>th</sup> Annual General Meeting Appointed M/s. A.R Krishnan & Associates, Chartered Accountants (FRN:009805S) Chennai as Statutory Auditors of the company for the first term of five years to hold office from conclusion of 27<sup>th</sup> Annual General Meeting till conclusion of 32<sup>nd</sup> Annual general Meeting.

The Audit committee and Board considered, recommended and approved the re-appointment of M/s. A.R Krishnan & Associates, Chartered Accountants (FRN:009805S) as Statutory Auditors of the Company for a further term of five (5) years from conclusion of 32<sup>nd</sup> Annual General Meeting till the 37<sup>th</sup> Annual General Meeting scheduled to be held in 2027, subject to the approval of Shareholders in the ensuing Annual General Meeting.

#### **17. AUDITORS' REPORT, OBSERVATIONS AND REPLIES:**

The Statutory Auditors report for the Financial Year 2021-2022 does not contain any qualification, reservation or adverse remark.

#### **18. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the Year under review, there were no changes in the Board of Directors of the Company.

#### **RETIREMENT BY ROTATION:**

Mr. Shanmugam (DIN: 08877587) retires by rotation at the forthcoming 32<sup>nd</sup> Annual General Meeting and being eligible offers himself for re-appointment.

#### **CHIEF FINANCIAL OFFICERS**

Mr. Durga Prasad is a Chief Financial Officer of the Company.

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

During the Financial Year Mr. B. Vignesh Ram has resigned from the position of Company Secretary and Compliance officer with effect from 11<sup>th</sup> January 2022. Mrs. R. Jashvadhha was appointed as Company Secretary & Compliance officer with effect from 27<sup>th</sup> May 2022

#### **19. 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.

#### **20. SEPARATE MEETING OF INDEPENDENT DIRECTOR**

Separate meeting of Independent Directors was held on 31<sup>st</sup> January 2022 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. All the Independent Directors were present at the meeting

## 21. 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, 2022 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 2022 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.

## 22. NO OF MEETINGS OF THE BOARD:

During the Financial Year under review the Board of Directors of the company meet 8 (Eight) times during the financial year 2021-2022 on 11<sup>th</sup> June 2021, 12<sup>th</sup> August 2021, 09<sup>th</sup> October 2021, 08<sup>th</sup> November 2021, 11<sup>th</sup> January 2022, 18<sup>th</sup> January 2022, 31<sup>st</sup> January 2022, & 17<sup>th</sup> March 2022.

The details of which are given in Corporate Governance Section of this Annual Report. The gap between any two Meetings was within the period prescribed in the Act and SEBI LODR.

## 23. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

As on 31st March 2022, the Board consists of 6 (Six) members, of which 3 (Three) are Independent directors, 2 (Two) are executive directors and 1 (one) is Non-Executive 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) and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report.

## 24. 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 are relating to the same are given in the report on Corporate Governance forming part of this Report. During FY2021-2022 the recommendations of Audit Committee were duly accepted by the Board.

## 25. 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

behaviour, 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 [www.sharatindustries.com](http://www.sharatindustries.com)

## 26. RISK MANAGEMENT:

The risk management is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

## 27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

### a. Conservation of energy

(i)	the steps taken or impact on conservation of energy	33KV supply is charged at facility and tested the full load expansion with all bay extension source, metering yard & consumer yard with 1250KVAR APFP panel. Installed and working condition.
(ii)	The steps taken by the company for utilizing alternate sources of energy	Listed new additional machinery erection, installation & commissioning works completed
(iii)	the capital investment on energy conservation equipment's	Planning the solar projects at 1.50MV DC to 1.2MV AC with complete paneling & metering etc.

### b. Technology absorption:

(i)	The efforts made towards technology absorption	Technology absorption is mainly applicable at ammonia refrigeration plant section
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Total high sigh stage and low stage compressors are running at automatic PLC control base with drive mode
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	This impact the system operation gets smooth, reduction of initial load, overall, the power reduction should be 4 to 6 % at the auto control PLC load sharing stage commutation level at stage by stage on program
	(a) the details of technology imported	Automatic PLC control mode with Drive Support operations
	(b) the year of import;	2021-2022
	(c) whether the technology been fully absorbed	80 % latest technology absorbed
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Balance will be 20 % are planning to replace the old motor existed old low side compressor motors with drive technology
(iv)	the expenditure incurred on Research and Development	20-25 Lakhs

**28. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

Rs. In. Lakhs

Particulars	FY 2021-2022	FY 2020-2021
Foreign Exchange	15,041.85	15,204.80
Foreign Outgo	860.07	220.88

**29. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

**30. CORPORATE GOVERNANCE:**

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

**31. ACCEPTANCE OF 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.

**32. PARTICULARS OF EMPLOYEES:**

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 - III 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.

**33. MANAGERIAL REMUNERATION:**

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

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

The Company has not given any loans or guarantees covered under the provision of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the

financial statements which forms part of this Annual Report.

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

During the financial year, the Company has not entered into any new contracts / arrangements with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions.

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

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 the ANNEXURE - II to the report

The policy on Related Party Transaction as approved and can be accessed at the website of the Company [www.sharatindustries.com](http://www.sharatindustries.com)

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

During the Financial Year 2021-2022, your company has complied with applicable Secretarial Standards, namely SS-1 & SS-2 issued by Company Secretaries of India.

### 37. ANNUAL SECRETARIAL COMPLIANCE REPORT

Annual Secretarial Compliance report for the Financial Year ended 31<sup>st</sup> March, 2022 on the compliance of all applicable SEBI regulation and circulars/guidelines, issue by M/s. Amresh & Associates Practicing Company Secretaries, was submitted to BSE Limited.

### 38. SECRETARIAL AUDITOR

In terms of Section 204 of the companies Act 2013 and the rules made there under, M/s Amresh & Associates, Delhi Practicing Company Secretaries have been appointed as Secretarial Auditor of the company for the financial year 2021-2022. The

report of the Secretarial Auditor is Annexure -I to this report.

The Secretarial Audit report for the financial year ended 31<sup>st</sup> March 2022 contains qualification and clarification by the Board is as follows:

Observation: Company is not in position to maintain 100% shareholding of the Promoters in dematerialised form.

**i. Observation:** Company has not complied with the Procedures for reclassification of the Promoters as Required under Regulation 31A of SEBI (LODR) Regulation 2015.

**ii. Responses:** Few shareholders of the Company belonging to the Public Category were inadvertently classified as the "Promoters" of the Company. Subsequently, the Company took steps to rectify the same by reclassifying the same by following the steps as envisaged under the provisions of Regulations 31A of SEBI (LODR) Regulations, 2015. However, most of the shareholders were not traceable and hence we once again approached SEBI seeking guidance for rectifying the same and through BSE Limited we were advised to file application under Regulation 102 of SEBI (LODR) Regulations, 2015 seeking dispensation with the strict compliance with the provisions of Regulation 31A of SEBI (LODR) Regulations, 2015. Accordingly, the Company had filed an application under Regulation 102 of SEBI (LODR) Regulations, 2015 on 26th May, 2021 along with the fees of Rs. 1,00,000/- and we are awaiting the outcome of the application filed by the Company. Due to the inadvertent classification of the public shareholders in the Promoter category there were instance where the Company was not able to adhere to the maintenance of 100% shares of the members belonging to the Promoter and Promoter Category in Demat form. However, the actual promoters of the Company are Mr. S. Prasad Reddy, Mr. S. Sharat Reddy , Mrs. S. Devaki Reddy and Mrs. S. Charita Reddy and the shares held by them are maintained in the Demat form

**39. 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 appointed as the Internal Auditors of the Company for the Financial Year 2021-22

**40. 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 Obligation and Disclosure Requirements) Regulation, 2015 is given as separate statement in Annual Report.

**41. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/COURTS**

During the financial year under review the Company has not received any orders, Notices from Regulators/ Courts/Tribunal impacting the going concern status and future operations of the Company.

**42. 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 9th December, 2013 and every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

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

**43. 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.

**44. 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 [www.sharatindustries.com](http://www.sharatindustries.com)

**45. 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.

**46. FINES LEVIED BY STOCK EXCHANGE:**

**Non-Compliance for the Provisions of SEBI (ICDR) Regulation, 2009 Schedule XIX- 108(2)**

Your company during the financial year under review has paid a fine of Rs. 10,00,000/- for purpose of not approaching the exchange for listing its 19,00,000 equity shares under preferential issue within 21 days from the date of allotment i.e., 31<sup>st</sup> January 2022.

Further the Company has taken steps to avoid this kind of non-compliance in future.

#### 47. 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 as to divided, voting or otherwise.
- 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.

#### 48. 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.

#### FOR AND BEHALF OF BOARD

**Place: Nellore**  
**Date: 31<sup>st</sup> August 2022**

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

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

**ANNEXURE I**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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

To,  
 The Members of Sharat Industries Limited  
 Venkannapalem Village,  
 T P Gudur Mandal, Nellore  
 Andhra Pradesh-524002

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and adherence to good corporate practices by **Sharat Industries Limited (CIN: L05005AP1990PLC011276)** having registered office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 and having address at Mahalakshimpuram Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 where all or any books of account and papers are maintained (other than the registered office) by the Company. The Company has Authorised Share Capital of Rs. 50,00,00,000/- and paid up share capital of Rs. 23,91,25,000/-. The Company is listed with the BSE Limited with scrip code: 519397, and ISIN No: INE220Z01013. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that in my opinion, the company has, during the audit period covering its financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained

by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulations) Act, 1956 ("SCRA") and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable to the Company during the Audit Period**
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not Applicable to the Company during the Audit Period**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and its amended Regulations, 2018;
  - d. The Securities and Exchange Board of India (Employees stock option Scheme and Employees Stock Purchase Scheme Guidelines, 1999; - **Not Applicable to the Company during the Audit Period**
  - e. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009



and its amended Regulations 2021 :- **Not Applicable to the Company during the Audit Period**

- f. The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; and - **Not Applicable to the Company during the Audit Period**
  - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013- **Not Applicable to the Company during the Audit Period**
  - h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - i. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- **Not Applicable to the Company during the Audit Period**
  - j. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. Other Applicable Laws like
- 1) Coastal Aquaculture Authority Act, 2005
  - 2) Indian Fishers Act, 1897
  - 3) Marine Products Export Development Authority Act, 1972
  - 4) Employees State Insurance Act, 1948
  - 5) Employees provident fund act 1952
  - 6) The Contract Labour (Regulation and Prohibition) Act, 1970
  - 7) Child Labour Act, 1986
  - 8) Industrial Employment Standing Orders Act 1946
  - 9) Employees Compensation Act, 1923
  - 10) Apprentices Act, 1976
  - 11) Equal Remuneration Act, 1976
  - 12) Employment Exchange Act, 1956
  - 13) Interstate migrant workmen Regulation of Employment and condition of service act 1979

- 14) Payment of Wages Act, 1936
- 15) Minimum Wages Act, 1948
- 16) The Payment of Bonus Act, 1965
- 17) Sexual Harassment of Women at Work place (prevention, prohibition and redressal) Act, 2013
- 18) The Maternity Benefit Act, 1961
- 19) Factories Act, 1948
- 20) Hazardous Waste (Management and Handling and trans boundary Movement) Rules, 2008
- 21) Water (prevention and control of pollution) act 1974
- 22) Air (prevention and control of pollution) act 1981
- 23) Factories Act, 1948
- 24) Food Safety & Standards Act, 2006
- 25) Legal Metrology Act, 2009
- 26) Prevention of Food Adulteration Act, 1954
- 27) Prevention and control of Infectious and Contagious Diseases in Animals Act 2009

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- ii. The Listing agreements entered by the company with BSE Limited

The other laws as may be applicable specifically to the Company which are mentioned in clause (vi) Under any other laws, based on the reports of the Company, I hereby report that the Company has substantially complied with the provisions of those Acts that are applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except to the extent mentioned below:

S.No	Compliance Requirement	Deviations	Observations
1.	<i>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.</i>	<i>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</i>	<i>We were informed that the classification was carried out inadvertently by the Company, bringing some "Public" shareholders in the Promoters' category, and classifying the same, &amp; also classified as "Promoters"; resulting in the company not able to maintain the 100% of the Shareholding of the "Promoters" in dematerialized form.</i>
2.	<i>Regulation 31A SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires to follow the procedure for Reclassification of Promoters.</i>	<i>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.</i>	<i>We were informed that 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</i>

I further report that:

- Subject to my observations the Board of Directors of the Company in general is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees thereof were carried out with requisite majority.

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

I further report that during the audit period the instances of violations and non-compliances mentioned above may result in attracting penal provisions which are severe in nature and for the company there is a contingency that it may have to pay penalties.

**Place: New Delhi**

**Date: 27<sup>th</sup> August 2022**

**UDIN: A032262D000861893**

**For Amresh & Associates  
(Company Secretaries)**

**Amresh Kumar  
Proprietor**

**M. No.: 32262/CP: 22067**

This report is to be read with our letter of even date which is annexed as Annexure A which forms an integral part of this report.

## ANNEXURE A

To,  
The Members of Sharat Industries Limited  
Venkannapalem Village,  
T P Gudur Mandal, Nellore  
Andhra Pradesh-524002

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

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

**Place: New Delhi**  
**Date: 27<sup>th</sup> August, 2022**  
**UDIN: A032262D000861893**

**For Amresh & Associates**  
**(Company Secretaries)**

**Amresh Kumar**  
**Proprietor**  
**M. No.: 32262/CP: 22067**

## ANNEXURE-II

**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.**

S.No	Name of Related Party and nature of Relationship	Nature of contact / Agreement/ Transaction	Duration of the Contract	Salient terms of The contract	Date of Approval by the Board	Amount as paid as advance if any
01	Mr. S. Prasad Reddy Managing Director	Lease of Ponds	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	11/06/2021	Nil
02	Mrs. S. Devaki Reddy Chief Administrative officer Wife of Mr. S. Prasad Reddy, Managing Director	Lease of of- fice Premises	Continuous	The lease rent Paid by the compa- ny shall not exceed the similar facilities in the location	11/06/2021	Nil

PLACE: Venkannapalem  
DATE : 31<sup>st</sup> August 2022

S.Prasad Reddy  
Managing Director  
DIN:00069094

FOR AND ON BEHALF OF THE BOARD  
S.Sharat Reddy  
Executive Director  
Din:02929724

**ANNEXURE-III****STATEMENT OF PARTICULARS OF EMPLOYEES PERSUANT TO PROVISION OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

As prescribed under Section 197(12) of the Companies Act, 2013 ("Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are given in Annexure D. In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees and other particulars, drawing remuneration in terms of the said Rules forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report, excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company.



## ANNEXURE-IV

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

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<table border="1"> <thead> <tr> <th data-bbox="784 389 991 454">Name of the Directors</th> <th data-bbox="991 389 1199 454">Ratio to median remuneration</th> </tr> </thead> <tbody> <tr> <td data-bbox="784 454 991 495">S PRASAD REDDY</td> <td data-bbox="991 454 1199 495">40:1</td> </tr> <tr> <td data-bbox="784 495 991 535">S SHARAT REDDY</td> <td data-bbox="991 495 1199 535">33:1</td> </tr> </tbody> </table>	Name of the Directors	Ratio to median remuneration	S PRASAD REDDY	40:1	S SHARAT REDDY	33:1
Name of the Directors	Ratio to median remuneration							
S PRASAD REDDY	40:1							
S SHARAT REDDY	33:1							
(ii)	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year are as under	There was an Increase in the managerial remuneration for the Financial Year 21-22 for Mr. S. Sharat Reddy from Rs. 4.17 Lakhs per month to Rs.5 Lakhs & Mr. Prasad Reddy from 5 Lakhs to 6 Lakhs per month which is amounting to- 20%						
(iii)	Percentage increase in the median remuneration of employees in the financial year 2021-2022	No increase						
(iv)	Number of permanent employees on the rolls of the company:	194 Employees						
(v)	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 and point out if there are any exceptional circumstance for increase in the managerial remuneration;	<p>There was no increase made in average salaries of employees other than the managerial personnel in the current financial year was 20%.</p> <p>There has been Increase in the managerial remuneration for the Financial Year 2021-2022 for Mr. S. Sharat Reddy from Rs 4.17 Lakhs per month to Rs.5 Lakhs &amp; Mr. Prasad Reddy from 5.00 Lakhs to 6 Lakhs per month.</p>						
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and Other Employees						

## ANNEXURE V 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 obligation and disclosure requirements) Regulation 2015. The strength of the Board of Directors is 6 (Six) with 2 (Two) Executive Director (one Managing Director and one Executive 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/Executive Director
3	Mrs. Durga Thotta	Non-Executive Independent Director
4	Mr. Ch. Kishore Kumar*	Non-Executive Independent Director
5	Mr. Harihar Venkata Muthyam	Non-Executive Independent Director
6	Mr. Shanmugam	Non-Executive Non-Independent Director

\* Resigned with effect from 30<sup>th</sup> July 2022.

##### 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 25 (1) 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 meet 8 (Eight) times. viz., 11th June 2021, 12th August 2021, 09th October 2021, 08th November 2021, 11th January 2022, 18th January 2022, 31st January 2022 and 17th March 2022.

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 27th September 2021) Attended	Directorships Held in Unlisted Companies (Excluding Sharat Industries Limited)	No of other Committees (other than Sharat Industries Limited ) in which Chairman/ Members
Mr. S. Prasad Reddy Chairman/ Managing Director	8	Yes	Nil	Nil
Mr. S. Sharat Reddy Executive Director	8	Yes	1	NIL
Mrs. Durga Thota (Non- Executive Independent Director)	8	Yes	1	NIL
Mr. Kishore Kumar (Non- Executive Independent Director)	5	Yes	2	NIL
Mr. Harihar Venkata Muthyam (Non- Executive Independent Director)	6	Yes	2	NIL
Mr. Shanumugam (Non –Executive Non-Independent Director)	4	Yes	Nil	NIL

The necessary quorum was present for all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2022 were held through Video Conferencing.



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

Mr. S. Prasad Reddy Managing Director is father of Mr. S. Sharat Reddy Executive 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/investors-financial-results.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/investors-financial-results.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:**

During the year under review, none of the Independent Director has resigned from the Company.

**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	S.Prasad Reddy	S.Sharat Reddy	Durga Prasad	C.Krishore Kumar	Harihar Venkata Muthyam	Shanmugam
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.	✓	✓	✓	✓	✓	✓
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

There were no changes in the Directors during the year under review.

### 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.
- (b) 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 2022, composition of the committee is as follows:

- a. Mr. Ch Kishore Kumar as Chairman
- b. Mrs. Durga Thota as Member
- a. Mr. Harihar Venkata Muthyam as Member

During the financial year 2021-2022, Four (4) meetings of the Audit Committee were held viz., on 11<sup>th</sup> June 2021, 12<sup>th</sup> August 2021, 09<sup>th</sup> October 2021 & 31<sup>st</sup> January 2022. 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
Mr. Ch Kishore Kumar (Chairperson)	4	3
Mrs. Durga Thota (Member)	4	4
Mr. Harihar Venkata Muthyam (Member)	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 Obligation and Disclosure Requirement), Regulation 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, 2022.

- (a) Mr. Ch. Kishore Kumar as Chairman
- (b) Mrs. Durga Thota as Member
- (c) Mr. Harihar Venkata Muthyam as Member

### 5.03 Attendance of Members:

NAME OF DIRECTOR/ MEMBER	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Ch Kishore Kumar (Chairperson)	1	0
Mrs. Durga Prasad (Member)	1	1
Mr. Harihar Venkata Muthyam (Member)	1	1

The committees meet once during the Financial Year 2021-2022 viz., 31<sup>st</sup> January 2022

### 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, 2022 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 created 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, 2022 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 2022 is given below

S.No	Name of the Non-Executive Independent Directors	Sitting Fees Paid (In Lakhs)
1.	Mr. Ch. Kishore Kumar	0.37
2.	Mrs. Durga Thota	0.52
3.	Mr. Harihar Venkata Muthyam	0.41
4.	Mr. Shanmugam	0.25

Remuneration paid to Executive Director (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 five 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 consists of 3 Non –Executive Independent Director as on 31<sup>st</sup> March, 2022.

(a) Mr. Ch. Kishore Kumar as Chairperson

(b) Mrs. Durga Thota as Member

(c) Mr. Harihar Venkata Muthyam as Member

**7.03** During the financial year ended on 31<sup>st</sup> March, 2022 the Shareholder's Relationship Committee meet 3 (Three) times viz., 11<sup>th</sup> June 2021, 12<sup>th</sup> August 2021 & 09<sup>th</sup> October 2021

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
Mr. Ch Kishore Kumar (Chairperson)	3	3
Mrs. Durga Prasad (Member)	3	3
Mr. Harihar Venkata Muthyam (Member)	3	3

The Details of Shareholders Complaints during the financial year ended 31<sup>st</sup> March 2022 are given below

No. of Investors Complaints pending at the beginning of the Year 2021-2022	No. of Complaints received during the year 2021-2022	No. of Complaints Resolved during the year 2021-2022	No. of Complaints remaining unresolved during the Year 2021-2022
Nil	10	10	Nil

## 8. INDEPENDENT DIRECTOR'S MEETING:

During the Financial Year under review the Independent Directors meeting was held on 31st January 2022 and was attended by Mrs. Durga Thota Mr. Ch. Kishore Kumar and Mr. Harihar Venkata Muthyam.

## 9. GENERAL BODY MEETING

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

Year	Location	Date	Time
2020-2021	Through Video Conferencing (VC)/other Audio Visuals Means (OAVM)	27.09.2021	10:00 AM
2019-2020	Through Video Conferencing (VC)/other Audio Visuals Means (OAVM)	30.12.2020	10:00 AM
2018-2019	Venkannapalem Village T.P Gudur Mandal Nellore, Andhra Pradesh 524002	24.09.2019	10:00 AM

Details of Special Resolution Passed with requisite majority, in the previous three Annual General Meeting (AGM):

S.No	Date of AGM	Details of Special Resolutions Passed
1.	27.09.2021	No Special Resolution was passed
2.	30.12.2020	Re-appointment of Mr. S. Prasad Reddy (DIN:00069094) as Managing Director of the company for period of 5 Years Re-appointment of Mrs. Durga Thota (DIN:07138565) as Independent-Director for Second term of 5 Years.
3.	24.09.2019	No Special Resolution was passed

## 10. EXTRAORDINARY GENERAL MEETING

During the Year one (1) Extra Ordinary General Meeting was held on 08<sup>th</sup> December 2021. The details of Special resolution, as more particular set out in the notice of the EGM and passed by the members are as follows:

No. of EGM/Financial Year	Day, Date & Time	Special Resolution Passed
EGM During the Year 2021-2022	Wednesday, 08 <sup>th</sup> December 2021 at 10:00 AM Through video conferencing (VC) /Other Audio visual means (OAVM)	Approval for Issuance of Share Warrants on Private Placement Basis Approval of Adoption of New Set of Memorandum of Association & Articles of Association of the Company.

**11. 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 Expresses (English) All India edition and Visalandhra (Telugu) Nellore Edition
3.	Website where results are published	www.shartindustres.com
4.	Presentation made to institutional investors	The Company has not made any presentation to investors or the analysis during the financial year ended 31st March 2022.

**12. GENERAL SHAREHOLDER'S INFORMATION**

Annual General Meeting	32 <sup>nd</sup> Annual General Meeting.
Date & Time	Thursday, 29 <sup>th</sup> September, 2022 11:00 AM
Venue	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
Date of Book Closure	23 <sup>rd</sup> September 2022 to 29 <sup>th</sup> September 2022 (Both days Inclusive)
Registered Office	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh 524002
Listing of Stock Exchanges	The equity securities of the Company are listed in Bombay Stock exchange (BSE Limited) and the listing fees for the financial year has been paid within the stipulated time.
CIN:	L05005AP1990PLC011276
Financial Calendar for the Year 2022-2023 (tentative)	First Quarter Results -By 14 <sup>th</sup> August 2022 Second Quarter Results/ Half yearly – By 14 <sup>th</sup> November 2022 Third Quarter – By 14 <sup>th</sup> February 2023 Year end results- By 30 <sup>th</sup> May 2023
Registrar and share transfer Agent.	M/s. Cameo Corporate Services Ltd Road, Ltd Road, 'Subramanian Building', No.1, Club House Chennai – 600002. Email address: <a href="mailto:cameo@cameoindia.co">cameo@cameoindia.co</a> Website: <a href="http://www.cameoindia.com">www.cameoindia.com</a>
Whether the securities were suspended from trading during the Year 2021-2022	The equity shares of the Company were not suspended at any point of time during the year 2021-22 and also till the date of the Report.
ISIN Stock Code	INE220Z01013 519397

**13. MARKET PRICE DATA**

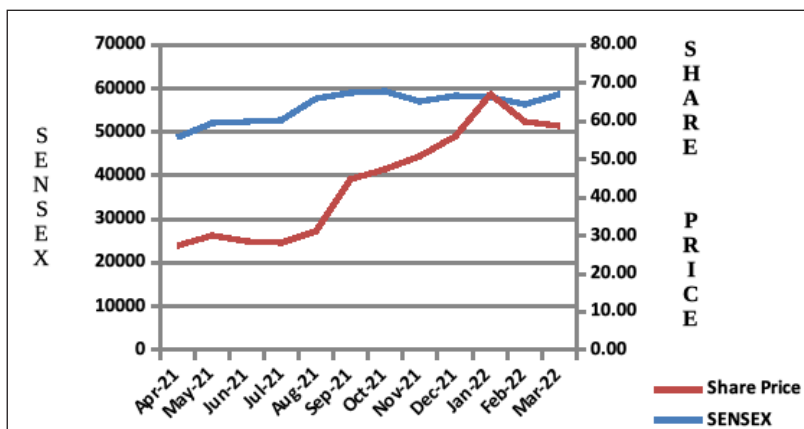
Details of Monthly high and low market prices as per stock exchange data for the financial year ended 31<sup>st</sup> March, 2022.

Month	High Price	Low Price	Qty. Traded
Apr-21	34	26.75	238
May-21	32.45	26.25	228
Jun-21	32.50	27.4	371
Jul-21	30.80	26	165
Aug-21	31.90	24.85	410
Sep-21	52.35	27.50	695
Oct-21	52.45	40.60	971
Nov-21	65	45	755
Dec-21	68.70	49.20	779
Jan-22	73.05	53.70	931
Feb-22	69.80	54.85	421
Mar-22	61.60	51.80	369

**14. CHART GIVEN HERE UNDER PLOTS THE MOVEMENTS OF THE COMPANY’S SHARE PRICE ON BOMBAY STOCK EXCHANGE LIMITED FOR THE YEAR 2021-2022**



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





**16. SHAREHOLDING PATTERN AS ON MARCH 31, 2022:**

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
(A) Promoter and Promoter Group:	4	93,05,441	42.27
(B) Public	37,114	1,27,07,059	57.73
Grand Total	37,118	2,20,12,500	100.00

During the Year under review the Company in its Extra-ordinary General meeting held on 08<sup>th</sup> December 2021 has approved issuance of Share warrants on private placement basis. Subsequently, a Board meeting was held on 31<sup>st</sup> January 2022 allotted 19,00,000 Equity share in lieu of fully subscribed share warrants of the company. The Company is awaiting a Listing approval from stock exchange.

**17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022**

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
10-5,000	34,218	92.07	4,71,05,580	21.38
5,001-10,000	1,653	4.44	1,35,70,730	6.16
10,001-20,000	682	1.83	1,01,46,160	4.60
20,001-30,000	296	0.79	74,28,270	3.37
30,001-40,000	103	0.27	37,87,670	1.72
40,001-50,000	76	0.20	36,04,440	1.63
50,001-1,00,000	71	0.19	52,14,200	2.36
1,00,001- Above	65	0.17	12,92,67,950	58.72
Total	37164	100	220125000	100.00

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

The company has established connectivity with both the depositories NSDL (National Securities Services Ltd) and CDSL (Central depository services limited). Therefore The Company's Equity Shares can be dematerialized. The Company's Registrar & Share Transfer Agents (M/s. Cameo Corporate Services Limited) of the Company and for related matters has been continuing.

The Details of Dematerialization of Shares as on 31<sup>st</sup> March, 2022 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	36,057	97.02	98,00,300	44.52
2.	NSDL	447	1.20	25,72,728	11.68
3.	CDSL	660	1.77	96,39,472	43.79
	Total	37,164	100.00	2,20,12,500	100.00

**19. OUTSTANDING GDRs OR ADRs OR WARRENTS OR CONVERTIBLE INSTRUMENTS**

There are no outstanding Global Depository Receipt or American Depository Receipt or Warrants or any convertible instruments during the year 2021-2022.

**20. ADDRESSES FOR CORRESPONDENCE:**

Shareholders correspondence should be addressed to the Company Secretary of the Company at the registered office of the company Ph: 044-24357868 / 044-24347867 email id: cs@sharatindustries.com its Registrars and Share transfer Agents, 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.

**21. PANT LOCATION:**

PLANT	LOCATION
Farm	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh 524 002
Hatchery	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh 524 002
Feed Mills	Venkannapalem Village, TP Gudur Mandal, Nellore, Andhra Pradesh 524 002
Processing Plant	Mahalakshmpuram Village TP Gudur Mandal Nellore District 524 002

**22. 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://cameoindia.com/>

Phone Number: 044-28460390

**23. 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 Amresh & Associates, Practicing Company Secretaries, Chennai 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 2022.

Particulars	No. of Shares	Percentage
Shares held in Demat form	1,22,12,200	55.47
Shares held in Physical form	98,00,300	44.52
Total	2,20,12,500	100%

## 24. OTHER DISCLOSURES

### 24.01 Disclosure of Material 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 was 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. For non-Compliance with the Provisions of the Regulation 29 (1) (a) of SEBI (LODR) Regulation 2015. FY (2020-2021)

An Amount of Rs. 5000/- was paid by the company for delay in furnishing the prior intimation to BSE. There was delay for one day and company has paid a Penalty of Rs. 5000/-. This was due to technical issues that was completely out of control of the Company.

- b. For Non-Compliance with the provision of Regulation 17 of SEBI (LODR) Regulation, 2015 (FY 2020-2021)

As per Market capitalization as on 31st March 2020 the company was classified amongst the top 2000 Companies. As per the regulation 17(1) of SEBI (LODR) Regulation 2015 was supposed to have 6 Directors on the Board. The Board taking cognizance of the same took steps to induct one more Director to the Board due to various lockdown imposed by Central and State Government the company was not in position to comply with the Regulation 17(1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. The non-compliance was remediated immediately after the lock down was lifted.

Subsequently the company represented to BSE stating that the non-compliance was due to the lockdown, which was completely out of Company's Control and requested for waiver of the notice and refund of the penalty paid by the Company.

BSE after consider the facts vide its email dated 16<sup>th</sup> April 2021 waived the penalty and company has received the refund of the same.

- c. Non-Compliance for the Provisions of SEBI (ICDR) Regulation, 2009 Schedule XIX- 108(2) FY (2021-2022)

An amount of Rs. 10,00,000/- was paid by the Company for delay in approaching the stock exchange for listing 19,00,000/- equity shares under preferential issue. As per SEBI regulation the listing approval needs to be taken within 21 days from the date of allotment of shares, Company has approached the exchange after 50 days and has paid a fine of Rs. 10,00,000/- Further the Company has taken steps to avoid this kind of Non-compliance in future.

### 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 [www.sharatindustries.com](http://www.sharatindustries.com)

**24.04 Governance of Subsidiary Company**

During the Year under review company has no subsidiary companies.

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

During the Year, the Company has raised 19,00,000 warrants convertible to equity shares through preferential issue which enabled the Company to further strengthen the Company's capital base and augmenting the Long-term resource for meeting funding requirements for its business activities, financing the future growth opportunities and general corporate purpose.

**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**

M/s A.R Krishnan & Associates Chartered Accountants, Chennai (FRN:009805S), were appointed as Statutory Auditors of the Company from the conclusion of 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting to be held in the financial year 2022. The Company has paid a amount of Rs.5.50/- Lakhs to the Auditors for carrying out the Statutory audit for the financial year 2021-2022. The above amount is exclusive of Goods and Service tax and reimbursement of out-of-pocket expenses.

The Board has recommended the re-appointment of M/s. A.R Krishnan & Associates as the Statutory Auditors of the company for another term of five years commencing from the conclusion of 32<sup>nd</sup> Annual General Meeting to be held in 2022 till the conclusion of the 37<sup>th</sup> Annual General Meeting to be held in 2027.

**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 Compliance of SEBI (LODR) Regulation 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 Regulation 2015.

**Non-Mandatory Requirements:**

The Company has adopted the following non-mandatory requirements of Part-E of Schedule II of SEBI (LODR) Regulation 2015.

Audit Qualification: The Company has moved towards the regime of financial statements with unmodified audit opinion. For the FY 2021-2022 the Statutory auditors have given unmodified opinion

The Independent firm of Internal Auditors of the Company are directly reporting to the Audit committee of the Board.

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

Not applicable.

#### **25. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE**

The Company has obtained certificate from M/s. Amresh & Associates having Certificate of practice number 22067 & Membership number 32262 in compliance with provisions of Regulation 34(3) 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 2022. The said certificate is attached to the Directors report.

#### **26. 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 Regulation, whenever applicable

##### **List of Policies**

The Company had formulated the following policies; the policies are available in the website of the Company.

1. Nomination and Remuneration Policy
2. Risk Management Policy
3. Code of Conduct and Business Ethics
4. Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure Practices
5. Independent Directors Familiarization Programme
6. Policy for Determination of Materiality of Events
7. Related Party Transaction Policy
8. Whistle Blower Policy
9. Policy on Preservation and Archival of Documents

#### **27. DECLARATION ON CODE OF CONDUCT**

All Board members and senior management personnel have, for the financial year ended on 31st March, 2022, have affirmed compliance with the code of conduct laid down by the Board of Directors and senior management, in terms of Schedule V-D of SEBI (LODR) Regulations, 2015.

##### **FOR AND ON BEHALF OF THE BOARD**

**PLACE: Venkannapalem**  
**DATE : 31<sup>st</sup> August 2022**

**S.SHARAT REDDY**  
**DIRECTOR**  
**DIN: 02929724**

**S.PRASADREDDY**  
**MANAGING DIRECTOR**  
**DIN:00069094**

## REPORT ON CORPORATE GOVERNANCE

To,  
The Members of  
Sharat Industries Limited  
Venkannapalem Village, T P Gudur Mandal,  
Nellore, Andhra Pradesh-524002

We have examined the compliance of the conditions of Corporate Governance by M/s **Sharat Industries Limited ('the Company')** having **CIN: L05005AP1990PLC011276** and having its Registered Office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations for the financial year ended on March 31, 2022.

We state that this Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: New Delhi  
Date : 27<sup>th</sup> August, 2022

For Amresh & Associates  
(Company Secretaries)  
Amresh Kumar  
Proprietor  
M No.: 32262/CP No.:22067  
UDIN:A032262D000861871

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

To  
The Board of Directors'  
Sharat Industries Limited.

Dear Sirs,

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

- (a) We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2022 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: VENKANNAPELEM  
DATE: 31<sup>st</sup> August 2022**

**S. PRASAD REDDY  
MANAGING DIRECTOR**

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

I hereby declare that:

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

**FOR AND ON BEHALF OF THE BOARD**

**PLACE: Nellore**  
**DATE: 31<sup>st</sup> August 2022**

**S. PRASAD REDDY**  
**MANAGING DIRECTOR**



## ANNEXURE- VI

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of  
Sharat Industries Limited  
Venkannapalem Village, T P Gudur Mandal,  
Nellore, Andhra Pradesh-524002**

We have examined the compliance of the conditions of Corporate Governance by **M/s Sharat Industries Limited ('the Company')** having **CIN: L05005AP1990PLC011276** and having its Registered Office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations for the financial year ended on March 31, 2022.

We state that this Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**Place: New Delhi  
Date : 27<sup>th</sup> August 2022**

**For Amresh & Associates  
(Company Secretaries)  
Amresh Kumar  
Proprietor  
M No.: 32262/CP No.:22067  
UDIN: A032262D000861871**

## 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 of  
Sharat Industries Limited  
Venkannapalem Village, T P Gudur Mandal,  
Nellore, Andhra Pradesh-524002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHARAT INDUSTRIES LIMITED (CIN: L05005AP1990PLC011276)** having registered office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 (hereinafter referred to as '**the Company**'), produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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 Directors	DIN	Date of appointment in Company
1	PRASAD REDDY SABELLA	00069094	07/05/1990
2	CHERUKUMALLI KISHORE KUMAR	00849345	12/11/2019 (Resigned w.e.f 30.07.2022)
3	SABELLA SHARAT REDDY	02929724	31/01/2013
4	DURGA THOTA	07138565	15/07/2016
5	VENKATA MUTHYAM HARIHAR	08160011	28/09/2020
6	SHANMUGAM	08877587	12/11/2020
7	SWAYZE MANI	09604569	16/05/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date : 27<sup>th</sup> August 2022

For Amresh & Associates  
(Company Secretaries)  
Amresh Kumar  
Proprietor  
M No.: 32262 / CP No.:22067  
UDIN:A032262D000861851

A person is working at a desk. A laptop is open in front of them, and their hands are visible typing on the keyboard. In the foreground, a hand holds a black pen over a document with some text and a bar chart. The background is slightly blurred, showing a green plant and a window. A large, semi-transparent grey triangle is overlaid on the left side of the image, containing the text 'Financial Statements'.

# 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 2022, 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, 2022, 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 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 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 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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.** 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**

**A.SENTHIL KUMAR**  
**Partner**

**M. No. : 214611**

**UDIN : 22214611AJSNYR3598**

**Place: Chennai**

**Date: 27<sup>th</sup> May 2022**

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF SHARAT INDUSTRIES LIMITED

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

- i)** In respect of its fixed assets:
- a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - b)** The company has maintained proper records showing full particulars of intangible assets;
  - c)** 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.
  - d)** 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.
  - e)** 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.
  - f)** 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, 2022 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, 2022 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 (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
Income Tax Act, 1967	Income Tax	Commissioner of Appeals	2017-2018	96.61

**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)** Based on the information furnished to us, the company does not have any subsidiaries, joint ventures or associates, hence clause 3(ix)(e) of the order is not applicable to the company.
  - f)** As per the information and explanation obtained to us, the company does not have any subsidiaries, joint ventures or associates to raise loan against securities held in the subsidiaries, joint ventures or associates. Hence clause 3(ix)(f) of the order is not applicable to the company.
- 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 does 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 is not liable for CSR activities, hence clause 3(xx) of the order is not applicable.
- xxi) xxi) As per the information and explanation given to us, the company does not have subsidiary companies to include any qualifications or adverse remarks by the respective auditor's in the companies (Auditor Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

**A. SENTHIL KUMAR**  
**Partner**

**M. No. : 214611**

**UDIN: 22214611AJSNYR3598**

**Place: Chennai**

**Date: 27<sup>th</sup> May 2022**

## **“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, 2022, 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

**A. SENTHIL KUMAR**

Partner

M. No. : 214611

UDIN: 22214611AJSNYR3598

Place: Chennai

Date: 27/05/2022

**SHARAT INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT Mar 31, 2022**

(Rs. in Lakhs)

	Particulars	Note No.	As At Mar 31, 2022	As At Mar 31, 2021
<b>I</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Property, Plant & Equipment	3	4,585.23	4,232.25
	(b) Capital Work in Progress	3	254.67	212.68
	(c) Intangible Assets	3	0.26	1.87
	(d) Intangible Assets under Development			
	(e) Financial Assets			
	(f) Deferred Tax Asset			
	(g) Other Non-Current Assets	4	254.34	246.21
	(h) Trade Receivables	4.1	520.45	481.37
	<b>Total Non-Current Assets</b>		<b>5,614.95</b>	<b>5,174.39</b>
	<b>(2) Current Assets</b>			
	(a) Inventories	5	5,493.98	6,530.32
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	6	5,658.99	4,184.19
	(iii) Cash and Cash Equivalents	7	462.06	150.02
	(iv) Bank Balances Other than (iii) above	8	100.17	292.69
	(v) Others	8.1	386.79	869.67
	(c) Other Current Assets	9	898.17	898.27
	<b>Total Current Assets</b>		<b>13,000.16</b>	<b>12,925.15</b>
	<b>TOTAL ASSETS</b>		<b>18,615.11</b>	<b>18,099.54</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>			
	(1) Equity			
	(a) Equity Share Capital	10	2,391.25	2,201.25
	(b) Other Equity	11	4,644.89	3,542.31
	<b>Total Equity</b>		<b>7,036.14</b>	<b>5,743.56</b>

(Rs. in Lakhs)

	Particulars	Note No.	As At Mar 31, 2022	As At Mar 31, 2021
	<b>(2) Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	12	1,230.76	1,695.08
	(ii) Other Financial liabilities[other than those specified in (b) below]	12.1	483.59	564.48
	(iii) Trade Payables	12.2	80.50	181.79
	(b) Provisions	13	14.38	7.45
	(c) Deferred Tax Liabilities (Net)	14	138.02	109.80
	<b>Total Non-Current Liabilities</b>		<b>1,947.25</b>	<b>2,558.60</b>
	<b>(3) Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	7,685.05	6,470.97
	(ii) Trade Payables	16	1,259.63	2,670.35
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	4.16	1.72
	(b) Other Current Liabilities	18	99.76	14.78
	(c) Provisions	19	583.11	639.55
	<b>Total Current Liabilities</b>		<b>9,631.72</b>	<b>9,797.38</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>18,615.11</b>	<b>18,099.54</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. 009805S**

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

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

**A.Senthil Kumar**  
**Partner**  
**M.No. 214611**

**B. Durga Prasad**  
**Chief Financial Officer**

**R Jashvadh**  
**Company Secretary**

**Place : Nellore**  
**Date: 27<sup>th</sup> May 2022**

**SHARAT INDUSTRIES LIMITED**  
**Statement of Profit and Loss for the year Ended March 31, 2022**

(Rs. in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2022	For the Year ended March 31, 2021
<b>I</b>	<b>Revenue from Operations</b>	20	24,703.29	25,097.77
<b>II</b>	<b>Other Income</b>	21	106.73	185.61
<b>III</b>	<b>Total Income (I+II)</b>		<b>24,810.02</b>	<b>25,283.38</b>
<b>IV</b>	<b>Expenses</b>			
	(a) Cost of Materials Consumed	22	16,390.16	19,751.41
	(b) Purchase of Stock in trade			-
	(c) Changes in Inventory	23	1,125.00	-293.41
	(d) Employee Benefits Expense	24	753.55	896.31
	(e) Finance Costs	25	614.14	578.40
	(f) Depreciation and Amortisation Expense	3	386.20	340.84
	(g) Other Expenses	26	5,090.46	3,620.42
	<b>Total Expenses (IV)</b>		<b>24,359.51</b>	<b>24,893.96</b>
<b>V</b>	<b>Profit Before Exceptional items and Tax (III-IV)</b>		<b>450.51</b>	<b>389.42</b>
<b>VI</b>	Exceptional Items			-
<b>VII</b>	<b>Profit Before Tax (V-VI)</b>		<b>450.51</b>	<b>389.42</b>
<b>VIII</b>	<b>Tax Expense</b>			
	(a) Current Tax		75.12	65.53
	(b) Mat Credit Entitlement		30.17	38.38
	(c) Deferred Tax		-0.67	27.04
<b>IX</b>	<b>Profit /(Loss) for the year (VII-VIII)</b>		345.89	258.47
<b>X</b>	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit/ (loss)		-3.31	3.15



(Rs.in Lakhs)

	Particulars	Note No.	For the Year ended Mar 31, 2022	For the Year ended March 31, 2021
XI	<b>Total Comprehensive Income for the year (comprising of profit for the year and other comprehensive income [IX+X])</b>		342.58	261.62
XII	<b>Earnings per Equity Share [Nominal Value of Rs.10/- per share]</b>	27		
	(1) Basic		1.53	1.19
	(2) Diluted		1.53	1.19
	Face Value of the Share		10.00	10.00

Significant Accounting Policies & Notes forming part of the financial statements

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

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

**Chartered Accountants**

**F.R. No. 0098055**

**A.Senthil Kumar**

**Partner**

**M.No. 214611**

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

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

**Place : Nellore**

**Date: 27<sup>th</sup> May 2022**

**B. Durga Prasad**  
**Chief Financial Officer**

**R Jashvadh**  
**Company Secretary**

**SHARAT INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022**

(Rs.in Lakhs)

S.No	Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit / (Loss) Before Extraordinary Items and Tax</b>	<b>450.51</b>	<b>389.42</b>
	<b>Adjustments for:</b>		
	Depreciation and impairment of Property, plant and equipment	386.20	340.84
	Amortisation and impairment of intangible assets		
	Loss on sale of Investments		
	Finance Costs	614.14	578.40
	Gratuity	-4.59	-3.45
	Wealth Tax		
	(Profit)/Loss on Sale of Vehicle	-	-
	Interest Income	-11.98	-18.18
	Creditors no Longer Payable -		
	Capital Subsidy	-	64.70
	Provision for Bad and Doubtful Debts 22.20		22.20
	<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>1,434.28</b>	<b>1,373.93</b>
	<b>Changes in Working Capital:</b>		
	Adjustment for (Increase) / Decrease in Operating Assets		
	Inventories	1,036.34	-1,139.18
	Trade Receivables	-1,513.88	-662.89
	Short term Loans and Advances	482.88	-644.89
	Bank Balances Other than cash & Cash Equivalents	192.52	-70.76
	Others	0.10	-162.20
	<b>Adjustment for Increase / (Decrease) in Operating Liabilities</b>		
	Trade Payables	-1,410.72	259.62
	Other Current Liabilities	84.98	-10.16
	Long Term Provisions	6.93	-10.99
	Short Term Provisions	-56.44	50.33
	<b>Cash generated from operations</b>	<b>256.98</b>	<b>-1,017.19</b>
	Cash outflow due to Exceptional Items		

(Rs.in Lakhs)

S.No	Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>B.</b>	<b>Cash generated from operations</b>	<b>256.98</b>	<b>-1,017.19</b>
	Net Income Tax (Paid)/Refund	-75.12	-43.18
	<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A</b>	<b>181.87</b>	<b>-1,060.37</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital Expenditure on Fixed Assets	-737.57	-411.48
	Decrease / (Increase) in Capital Work in Progress	-41.99	-55.39
	Proceeds from Sale of Fixed Assets	-	-
	Long Term Loans and Advances	-8.13	-114.78
	Interest Received	11.98	18.18
	<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B</b>	<b>-775.71</b>	<b>-563.47</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds / (Repayment) from / of Long Term Borrowings	-464.32	907.41
	Current Maturities of Long term Debt	-80.89	-150.05
	Other Short term Borrowings	1,216.52	1,493.24
	Trade Payables	-101.29	-73.10
	Finance Costs	-614.14	-578.40
	capital subsidy received from government		66.55
	Share Warrant money received	950.00	
	<b>NET CASH FROM / (USED IN ) FINANCING ACTIVITIES - C</b>	<b>905.88</b>	<b>1,665.65</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>312.04</b>	<b>41.81</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>150.02</b>	<b>108.21</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>462.06</b>	<b>150.02</b>
	<b>Reconciliation of Cash and Cash Equivalents with the Balance sheet</b>		
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)		

(Rs.in Lakhs)

S.No	Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	<b>Cash and Cash Equivalents at the end of the year</b>		
	<b>Comprises:</b>		
	Cash on hand	13.51	1.41
	Balance with Banks		
	- in Current Accounts	448.55	148.61
	- in Deposit Accounts		
		<b>462.06</b>	<b>150.02</b>

As Per our Report of even date  
**For A.R.Krishnan & Associates**  
**Chartered Accountants**  
**F.R. No. 009805S**

**A.Senthil Kumar**  
**Partner**  
**M.No. 214611**

**Place : Nellore**  
**Date : 27<sup>th</sup> May 2022**

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

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

**B. Durga Prasad**  
**Chief Financial Officer**

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

**R Jashvadha**  
**Company Secretary**

## Notes to the Financial Statements for the year ended March 31, 2022

### 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 Ind AS

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

#### 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 recognised 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 recognised 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 derecognised 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 recognised 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 derecognised 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 amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Amortisation methods and periods

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

### 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 recognised 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 amortised cost

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

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

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

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

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

## Financial liabilities

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

## Equity instruments

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

## Offsetting of financial instruments

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

## 2.5 Impairment

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

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

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

## PPE and intangibles assets

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

## 2.6 Inventories

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

Biological assets of the Company comprises of live stocks of shrimps breeders and different phases of shrimp that are classified as current biological assets. The Company recognises 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 recognised 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 despatched but have not been delivered at the end of the financial reporting period have been recognised as "Revenue on Shipments in Transit".

Export benefits are accounted on recognition of export sales.

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

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

### Rendering of services

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

### Interest Income

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

### Insurance claims

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

## 2.8 Research and Development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established,

in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

## 2.9 Leases

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

### (i) Operating Lease:

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

### (ii) Finance Lease:

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

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

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

## 2.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

## 2.11 Employee benefit expenses

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

**(i) Post-employment benefit plans***Defined Contribution plans*

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

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

*Defined benefit plans*

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

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

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

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

**(ii) Short term employee benefit**

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

**2.12 Foreign currency translation**

The functional currency of the Company is Indian rupee

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency

monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

### 2.13 Borrowing cost

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

### 2.14 Income tax

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

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

#### Current tax

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

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

#### Deferred tax

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

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

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

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

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

### **2.15 Accounting of provisions, contingent liabilities and contingent assets**

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

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

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

### **2.16 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 recognised in the financial statements:

#### **Recognition of deferred tax assets**

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

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **Impairment of non- financial assets**

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

### **Inventories**

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

### **Defined Benefit Obligation (DBO)**

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

### **Useful lives of depreciable assets**

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

### **Fair value measurement of financial instruments**

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

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

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non- financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **Current and non-current classification**

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

**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.	Durga Prasad Bolisetty	KMP - Chief Financial Officer
5.	B. Vignesh Ram	KMP - Company Secretary

**Related Party Transactions**

Particulars	Name of the company	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of goods	-	-	-
Reimbursement of expenses	-	-	-
Receipt of service	-	-	-
Closing balance	-	-	-

**Transactions with key management personnel:**

(Rs. In Lakhs)

Key management Personnel	Particulars of payment	As at March 31, 2022	As at March 31, 2021
S.Prasad Reddy	Remuneration	72.00	60.00
S.Prasad Reddy	Lease Rent	16.50	16.50
S.Sharat Reddy	Remuneration	60.00	50.00
S Devaki Reddy	Rent	8.82	8.82
S Devaki Reddy	Salary	6.60	5.40
Durga Prasad Bolisetty	Salary	22.20	14.80
B Vignesh Ram	Salary	9.58	6.42

**29 Gratuity and other post-employment benefit plan**

(Rs. In Lakhs)

Sl. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	Defined Benefit Plan		
a)	Defined benefit obligation at the beginning of the year	10.35	24.62
b)	Current Service Cost	3.16	2.53
	Interest Cost	0.60	1.39
	Actuarial Gain/(loss)	4.59	(9.36)
	Benefits Paid	(.17)	(8.83)

(Rs. In Lakhs)

Sl. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	Defined benefit obligation at the end of the year	18.53	10.35
	Expense recognized during the year		
	Current Service Cost	3.16	2.53
	Interest Cost	0.60	1.39
	Actuarial Assumptions		
	Discount Rate (per Annum)	6.19%	5.79%
	Rate Escalation in salary (per Annum)	10.00%	10.00%

**Sensitivity Analysis (Gratuity)**

(Rs. In lakhs)

Particulars	Rs.	Impact (Absolute)	%	Rs.	Impact (Absolute)	%
Discount Rate (-0.50/+0.50%)	18.79	0.26	1.41%	18.28	(0.25)	-1.36%
Salary Inflation (-1/+1 %)	18.05	(0.48)	-2.61%	19.04	0.51	2.73%
Withdrawal rate (-5/+5 %)	19.68	1.14	6.16%	17.60	(0.93)	-5.04%

**Maturity Profile of Defined Benefit Obligation (Gratuity)**

(Rs. In lakhs)

Particulars	31 Mar 22	31 Mar 21
Year 1	4.18	1.74
Year 2	3.52	1.68
Year 3	3.08	1.80
Year 4	2.63	1.59
Year 5	2.19	1.41
After 5 <sup>th</sup> Year	6.90	4.61
<b>Total</b>	<b>22.50</b>	<b>12.83</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 summarised below.

#### Tax contingencies

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

Nature of Tax	As at March 31, 2022 (Rs. in lakhs)	As at March 31, 2021 (Rs. in lakhs)
Customs & Excise Duty	76.31	76.31
Service Tax	31.50	31.50
Income Tax (CIT, Appeals)	96.61	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.

#### Amount in respect of other claims

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

Name of bank	As at March 31, 2022 (Rs. in lakhs)	As at March 31, 2021 (Rs. in lakhs)
Federal bank	133.89	139.59
Axis Bank	27.2	-
<b>Total</b>	<b>161.09</b>	<b>139.59</b>

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

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

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

### 31 Segment Reporting

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

### 32 Financial risk management objectives and policies

The Company's principal financial liabilities 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 summarised below:

#### Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021

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, 2022, 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, 2022 would decrease or increase by Rs. Nil. (March 31, 2021 : 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, 2022		Currency	As at March 31, 2021	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	21,12,916	-	USD	18,27,025	-

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, 2022		Currency	As at March 31, 2021	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	75.79	2,11,291.60	USD	73.11	1,82,702.50

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 recognised at March 31, as summarised below:

(Rs.In Lakhs)

Classes of Financial Assets	As at March 31, 2022	As at March 31, 2021
Investments	-	-
Trade Receivable	6,179.43	4,665.56
Cash and bank balances	462.06	150.02
Bank Balances other than above bank balances	100.17	293
Other Financial assets		
<b>Total</b>	<b>6,741.67</b>	<b>5,108.26</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, 2022 and March 31, 2021.

(Rs. In.Lakhs)

As at 31st march 2022	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	7,685.05	1,230.76	-	8,915.82
Trade Payables	1,259.63	80.50	-	1,340.13
Other Financial Liabilities	4.16	483.59	-	487.74
<b>Total</b>	<b>8,948.84</b>	<b>1,794.85</b>	<b>-</b>	<b>10,743.70</b>

(Rs. In.Lakhs)

As at 31st march 2021	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	6,470.97	1,695.08	-	8,166.05
Trade Payables	2,670.35	181.79	-	2,852.14
Other Financial Liabilities	1.72	564.48	-	566.20
<b>Total</b>	<b>9,143.04</b>	<b>2,441.36</b>	<b>-</b>	<b>11,584.40</b>

### Trade Receivables-Billed-Current (Rs. In lakhs)

(Rs. In.Lakhs)

Particulars	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
Trade Receivables-Billed	5681.19	4206.39
Less: Allowance for Doubtful trade receivables – Billed	-22.21	-22.21
<b>Considered Good</b>	<b>5658.98</b>	<b>4184.18</b>

Ageing for Trade Receivables – Current Outstanding as at 31<sup>st</sup> March 2022

(in Rs.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	2256.59	2348.87	1053.53	-	-	-	5658.98
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>2256.59</b>	<b>2348.87</b>	<b>1053.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5658.98</b>

**Ageing for Trade Receivables – Current Outstanding as at 31<sup>st</sup> March 2021**

(in Rs. 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 goods	2854.76	900.66	428.76	-	-	-	4,184.18
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>2854.76</b>	<b>900.66</b>	<b>428.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,184.18</b>

**Trade Receivables-Billed-Non-Current (in Rs. Lakhs)**

Particulars	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
Trade Receivables-Billed	520.45	481.37
Less: Allowance for Doubtful trade receivables – Billed	-	-
<b>Considered Goods</b>	<b>520.45</b>	<b>481.37</b>

Ageing for Trade Receivables – Non-Current Outstanding as at 31<sup>st</sup> March 2022

(in Rs.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 goods	-	-	-	-	56.06	206.78	262.84
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	-	257.61	257.61
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>56.06</b>	<b>464.39</b>	<b>520.45</b>

Ageing for Trade Receivables – Non-Current Outstanding as at 31<sup>st</sup> March 2021

(in Rs. 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 goods	-	-	-	223.76	-	-	223.76
Undisputed trade receivables – Which have significant increase in Credit risk	-	-	-	-	257.61	-	257.61
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>-</b>	<b>-</b>	<b>-</b>	<b>223.76</b>	<b>257.61</b>	<b>-</b>	<b>481.37</b>



## Trade Payables

Ageing for Trade Payables – Current Outstanding as at 31<sup>st</sup> March 2022

(in Rs. 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*	312.28	19.53	-	-	-	331.81
Others	805.16	122.67	-	-	-	927.83
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>1117.44</b>	<b>142.19</b>	-	-	-	<b>1259.63</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 2021

(in Rs. 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*	293.73	38.07	-	-	-	331.81
Others	757.34	170.49	-	-	-	927.83
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>1051.07</b>	<b>208.56</b>	-	-	-	<b>1259.63</b>

## Trade Payables

Ageing for Trade Payables – Non-Current Outstanding as at 31<sup>st</sup> March 2022

(in Rs. 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		-	-	-	80.5	80.5
Disputed Dues – MSME*	-					
Disputed Dues – Others	-					
<b>Total</b>	-	-	-	-	<b>80.5</b>	<b>80.5</b>

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

## Ageing for Trade Payables – Non-Current Outstanding as at 31st March 2021

(in Rs. 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	-	-	31.79	-	150.00	181.79
Disputed Dues – MSME*	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	-	-	<b>31.79</b>	-	<b>150.00</b>	<b>181.79</b>

## Financial Ratios

Ratio	2021-2022	2020-2021
Current Ratio	1.35	1.32
Debt-Equity Ratio	1.93	2.01
Debt Service Coverage Ratio	1.35	1.66
Return on Equity Ratio	4.9%	4.5%
Inventory Turnover Ratio	2.91	3.26
Trade Receivables Turnover Ratio	4.56	5.78
Trade Payables Turnover Ratio	7.86	7.47
Net Capital Turnover Ratio	7.33	8.02
Net Profit Ratio	1.4%	1.0%
Return on Capital Employed	12.2%	12.1%

## Disclosure of Shareholding Promoters Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2022 is as follows:

(Figures in Lakhs)

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
PRASADREDDY SABBELLA	72.98	30.52	88.15	40.04	-17.2%
S SHARAT REDDY	18.03	7.54	24.65	11.2	-26.8%
DEVAKI REDDY SABBELLA	1.76	0.74	1.76	0.80	0.0%
S CHARITA REDDY	0.28	0.12	0.28	0.13	0.0%
<b>Total</b>	<b>93.05</b>	<b>38.91</b>	<b>114.84</b>	<b>52.17</b>	<b>-44.0%</b>

## Disclosure of shareholding of promoters as at 31<sup>st</sup> March 2021 is as follows:

(Figures in Lakhs)

Promoter Name	Shares held by promoters				% Changing During the Year
	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020		
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
PRASAD REDDY SABBELLA	88.15	40.04	88.15	40.04	0.00%
S SHARAT REDDY	24.65	11.20	24.64	11.19	0.04%
DEVAKI REDDY SABBELLA	1.76	0.80	1.76	0.63	0.00%
S CHARITA REDDY	0.28	0.13	0.28	0.04	0.00%
<b>Total</b>	<b>114.84</b>	<b>52.17</b>	<b>114.83</b>	<b>51.91</b>	<b>0.04%</b>

**A) Capital work-in-progress** Ageing for capital work-in-progress as at March 31, 2022 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	
CWIP - Cooker	254.67				254.67
<b>Total</b>	<b>254.67</b>	-	-	-	<b>254.67</b>

Ageing for capital work-in-progress as at March 31, 2021 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	
CWIP-Compressor	198.09				198.09
CWIP-33KVA-Substation	5.68				5.68
CWIP-Codensor	5.56				5.56
CWIP-New Cold Room	2.64				2.64
CWIP-Crate Wash Unit	.67				.67
<b>Total</b>	<b>212.64</b>	-	-	-	<b>212.64</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 maximise the shareholders' value . The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds.. The Company's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises share capital and free reserves (total reserves including capital reserve). The following table summarizes the capital of the Company:

Particulars	March 31, 2022	March 31, 2021
Share Capital	2391.25	2201.25
Free Reserves (Excluding Capital Reserve)	2476.57	2133.99
Equity (A)	4867.82	4335.24
Short term borrowings	7132.46	6379.44
Long Term Borrowings	1714.35	2259.57
Current Maturities of Long term borrowings	552.59	91.53
Debt (B)	9399.41	8730.53
Cash and Cash Equivalents	462.06	150.02
Short Term Investments	-	-
Total Cash (C)	462.06	150.02
Net Debt (B-C)=D	8937.34	8580.51
Net Debt to Equity Ratio (D/A)=E	1.84	1.98

#### 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 27<sup>th</sup> May 2022.

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

**Chartered Accountants**

**FRN No: 0098055**

**A.SENTHIL KUMAR**

**Partner**

**M.No: 214611**

**Place: Nellore**

**Date: 27<sup>th</sup> May 2022**

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

**S. PRASAD REDDY**

**Managing Director**

**(DIN : 07506651)**

**S. SHARAT REDDY**

**Director**

**(DIN: 03137732)**

## 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 Constuction	Jetty	Tools & Equipments	Total PPE	Capital WIP
<b>At March 31, 2021</b>	<b>544.14</b>	<b>1,379.78</b>	<b>2,476.90</b>	<b>43.99</b>	<b>531.54</b>	<b>35.95</b>	<b>17.29</b>	<b>17.57</b>	<b>86.94</b>	<b>406.65</b>	<b>53.48</b>	<b>136.41</b>	<b>5,730.65</b>	<b>212.68</b>
Additions	6.68	11.09	624.44	7.87	14.44	24.72	0.04	4.47	31.05	-	-	12.03	736.83	569.28
Disposals														(527.29)
Exchange Differences														
Transfer														
<b>At March 31, 2022</b>	<b>550.82</b>	<b>1,390.87</b>	<b>3,101.34</b>	<b>51.86</b>	<b>545.98</b>	<b>60.67</b>	<b>17.33</b>	<b>22.04</b>	<b>117.99</b>	<b>406.65</b>	<b>53.48</b>	<b>148.44</b>	<b>6,467.91</b>	<b>254.67</b>
<b>Depreciation and Impairment</b>														
<b>At March 31, 2021</b>	<b>-</b>	<b>295.69</b>	<b>674.07</b>	<b>22.20</b>	<b>226.44</b>	<b>25.54</b>	<b>5.31</b>	<b>11.27</b>	<b>61.14</b>	<b>107.93</b>	<b>17.93</b>	<b>50.88</b>	<b>1,498.39</b>	<b>-</b>
Depreciation charge for the year		70.34	191.83	5.03	63.41	4.16	1.64	4.12	7.37	21.59	3.59	11.20	384.29	
Impairment														
Disposals														
<b>At March 31, 2022</b>	<b>-</b>	<b>366.03</b>	<b>865.91</b>	<b>27.22</b>	<b>289.85</b>	<b>29.70</b>	<b>6.96</b>	<b>15.39</b>	<b>68.51</b>	<b>129.52</b>	<b>21.52</b>	<b>62.08</b>	<b>1,882.68</b>	<b>-</b>
Carrying Amount														
<b>As at March 31, 2022</b>	<b>550.82</b>	<b>1,024.84</b>	<b>2,235.44</b>	<b>24.64</b>	<b>256.13</b>	<b>30.97</b>	<b>10.37</b>	<b>6.65</b>	<b>49.48</b>	<b>277.13</b>	<b>31.96</b>	<b>86.37</b>	<b>4,585.23</b>	<b>254.67</b>
As at March 31, 2021	544.14	1,084.09	1,802.83	21.79	305.10	10.41	11.98	6.31	25.80	298.72	35.55	85.53	4,232.25	212.68

## Notes forming part of the Financial Statements

### (I) Assets

#### 1) Non Current Assets

(Rs.in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
<b>Other Non-Current Assets</b>	4		
<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		254.34	246.21
Other Advances			
<b>Total (a+b+c)</b>		<b>254.34</b>	<b>246.21</b>
(h) Trade Receivables	4.1	520.45	481.37
Less : Allowance for Doubtful debts -			
<b>Total</b>	<b>4.1</b>	<b>520.45</b>	<b>481.37</b>
<b>2) Current Assets</b>			
(A) Inventories :	5		
(As valued and certified by the Management)			
(i) Raw Materials		1,423.99	1,291.40
(ii) Finished Goods		3,954.17	5,079.17
(iii) Stock of Spares		115.82	159.75
(iv) Biological Asset -			
		<b>5,493.98</b>	<b>6,530.32</b>

#### (B) Financial Assets :

(i) Trade Receivables :	6		
Trade Receivables		5,681.19	4,206.39
Less : Allowance for Doubtful debts			
		5,681.19	4,206.39
Receivables from Related Parties			
<b>Total</b>		<b>5,681.19</b>	<b>4,206.39</b>
Current		<b>5,681.19</b>	<b>4,206.39</b>
Non-Current			
<b>Breakup of Good and Doubtful Debts</b>			

(Rs in Lakhs)

Unsecured, Considered good		5,681.19	4,206.39
Unsecured, Considered doubtful			
<b>Total</b>		<b>5,681.19</b>	<b>4,206.39</b>
<b>Impairment Allowance (allowance for bad and doubtful debts):</b>			
Unsecured, Considered good		5,681.19	4,206.39
Unsecured, Considered doubtful		-22.21	-22.21
<b>Total</b>		<b>5,658.99</b>	<b>4,184.19</b>
<b>(ii) Cash and Cash Equivalents :</b>	7		
(a) Cash on hand		13.51	1.41
(b) Balances with Banks:			
i) in Current Accounts		448.55	148.61
ii) Deposits with original maturity of less than 3 months			-
<b>Current</b>		<b>462.06</b>	<b>150.02</b>
<b>Non-Current</b>			
<b>(ii) Bank Balances Other Than Referred Above</b>	8		
(a) Earmarked balances :			
i) Unclaimed dividend account			-
ii) In deposit accounts		100.17	292.69
(b) Balances with banks :			
Deposits with original maturity of more than 3 months			-
(c) EEFC Balances			0.00
(d) Deposit Accounts			-
<b>Total</b>		<b>100.17</b>	<b>292.69</b>
(v) Others	8.1	386.79	869.67
<b>(C) Other Current Assets</b>	9		
(a) Loans and Advances to Employees			
Unsecured, considered good		4.35	-0.17
Less : Provision for Doubtful Advances			-
		<b>4.35</b>	<b>-0.17</b>
(b) Loans and Advances to Vendors & Others		76.73	53.66
(c) Prepaid Expenses		37.89	50.33
(d) Balances with Government Authorities		312.04	252.34
(e) Others		467.16	542.10
		<b>898.17</b>	<b>898.27</b>



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

(Rs.in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
a) Equity Share Capital	10		
<b>Authorised :</b>			
Equity Shares of Rs. 10/- each		3,000.00	3,000.00
No. of shares FY : 3,00,00,000 (PY : 3,00,00,000)			
Redeemable Preference Shares of Rs. 100/- each		2,000.00	2,000.00
No. of shares FY : 20,00,000 (PY : 20,00,000)			
		<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	2,201.25
No. of shares FY : 2,20,12,500 (PY : 2,20,12,500)			
		<b>2,391.25</b>	<b>2,201.25</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:

(Rs.in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
Equity Shares:			
Number of Shares at the beginning of the year		220.13	220.13
Add: Allotted during the year		19.00	-
Less: Bought back during the year			-
<b>Number of Shares at the end of the year</b>		<b>239.13</b>	<b>220.13</b>

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

(Rs in Lakhs)

Name of Share holder	Note No.	As At March 31, 2022	As At March 31, 2021
		No. of Shares - % held	No. of Shares - % held
S. Prasad Reddy		72.97 - 33.15%	88.14 - 40.04%
S. Sharat Reddy		18.03 - 8.19%	24.63 - 11.19%
<b>b) Other Equity</b>	11		
<b>Capital Reserve</b>			
Opening Balance		1,408.32	1,408.32
Add: Additions during the year			
Closing Balance A		1,408.32	1,408.32
<b>Capital Subsidy</b>			
Opening Balance			-
Closing Balance B		-	-
<b>Share Premium</b>			
Opening Balance		-	
Add: Additions during the year		760.00	
Closing Balance C		760.00	
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>			
Opening Balance		2,133.99	1,872.36
Add: Profit for the year		342.58	261.62
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment			-
Closing Balance D		2,476.57	2,133.99
<b>Total ( A+B+C+D )</b>		<b>4,644.89</b>	<b>3,542.31</b>

## 2) Non Current Liabilities

(Rs in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
<b>(a) Financial Liabilities</b>	<b>12</b>		
(i) Borrowings			
Term Loan from Bank (Secured)		728.99	994.24
Hire Purchase Loans From Banks		50.82	87.03
From Others		450.95	613.81
(ii) Other Financial Liabilities			
Other Loans	12.1	420.65	422.93
Advances from Customers		1.50	70.66
MPEDA		61.43	66.55
Deferred Advance from Rental Deposits			4.34
		<b>1,714.35</b>	<b>2,259.57</b>
(iii) Trade Payables	12.2	80.50	181.79
<b>(b) Provisions</b>	<b>13</b>		
<b>Provision for employee benefits</b>			
Post Retirement Benefits		14.38	7.45
Compensated Absences			-
		<b>14.38</b>	<b>7.45</b>
<b>(c) Deferred Tax Liability</b>	<b>14</b>		
On account of brought forward Losses			
Deferred Tax Liability			
On difference between book balance and tax balance of fixed assets		305.06	307.01
Deferred Tax Asset			
On Account of Minimum Alternate Tax		167.04	197.21
<b>Net Deferred Tax Asset</b>		<b>138.02</b>	<b>109.80</b>

## A. Nature of Security:

1. Term Loan from Axis Bank is secured by the charge of Fixed Assets 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 March 31, 2022	As At March 31, 2021
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15		
<b>Loans Payable on Demand</b>			
From Banks		7,132.46	6,379.44
Current Maturities of Long Term Borrowings		552.59	91.53
		<b>7,685.05</b>	<b>6,470.97</b>
ii) Trade Payables	16		
Trade Payables to Micro ,Small and Medium Enterprises			-
Trade Payables to Related Parties			-
Trade Payables Other than Micro Small and Medium Enterprises			
- For Supplies and Services		1,130.19	2,640.67
- For Expenses and Others		129.45	29.68
		<b>1,259.63</b>	<b>2,670.35</b>
(iii) Other Financial Liabilities	17		
Provision for Gratuity		4.16	1.72
		<b>4.16</b>	<b>1.72</b>
<b>(b) Other Current Liabilities</b>	18		
(i) Statutory Remittances		19.64	9.66
(ii) Advances from Customers		75.00	
(iii) MPEDA		5.12	5.12
		<b>99.76</b>	<b>14.78</b>
<b>(c) Provisions</b>	19		
<b>Provision for others</b>			
(a) Provision for Taxes (Net of Advance Tax)		59.99	70.17
(b) Provision for Expenses		523.12	569.39
		583.11	639.55
<b>TOTAL (a+b+c)</b>		<b>9,631.72</b>	<b>9,797.38</b>

## 4) Revenues

(Rs in Lakhs)

Particulars	Note No.	As At March 31, 2022	For the year ended March 31, 2021
<b>Revenue from Operations:</b>	20		
<b>(a) Sale of Products</b>		23,318.82	23,462.40
<b>(b) Sale of Services</b>		730.50	487.04
<b>(c) Other Operating Revenues</b>		653.97	1,148.33
		<b>24,703.29</b>	<b>25,097.77</b>
<b>Sale of Products:</b>			
Sale of Shrimp - Export		15,041.85	15,204.80
Sale of Feed		5,961.86	4,952.32
Sale of Raw Shrimp		2,529.74	3,511.07
Sale of Chemicals			
Sale of Shrimp - Interstate			
<b>Total</b>		23,533.46	23,668.19
<b>Less: Sales Return</b>			
<b>Turnover Discount</b>		-214.63	-205.78
<b>Net Turnover</b>		<b>23,318.82</b>	<b>23,462.40</b>
<b>Sale of Services:</b>			
Job Work Charges		730.50	487.04
		<b>730.50</b>	<b>487.04</b>
<b>Other Operating Revenue:</b>			
Export Incentives		620.76	1,127.35
Sale of Shrimp shell waste/Scrap		33.22	20.97
Discount Received		-	
		<b>653.97</b>	<b>1,148.33</b>
<b>Other Income :</b>	21		
(a) Interest Income			
(i) On Bank Deposits		11.98	13.91
(ii) On Others		-	4.27
(b) Net gain on Foreign Currency Transactions		80.14	66.45
(c) Other Non-Operating Income		14.61	100.98
(d) Profit on sale of vehicle		-	-
		<b>106.73</b>	<b>185.61</b>

(Rs in Lakhs)

Particulars	Note No.	As At March 31, 2022	For the year ended March 31, 2021
Consumption of Raw Materials and Packing Materials	22		
Opening Stock		1,367.66	518.21
Add: Purchases		16,478.82	20,600.86
		<b>17,846.48</b>	<b>21,119.07</b>
Less: Closing Stock - Raw Material		1,456.32	1,367.66
		<b>16,390.16</b>	<b>19,751.41</b>
<b>Changes in Inventory of finished goods:</b>	23		
Inventories at the end of the year			
Finished Goods - Feed & Shrimps		3,954.17	5,079.17
		<b>3,954.17</b>	<b>5,079.17</b>
<b>Inventories at the beginning of the year</b>			
Finished Goods - Feed & Shrimps		5,079.17	4,785.76
		<b>5,079.17</b>	<b>4,785.76</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>1,125.00</b>	<b>-293.41</b>

(Rs in Lakhs)

Particulars	Note No.	As At March 31, 2022	For the year ended March 31, 2021
<b>Employee Benefits Expense :</b>	<b>24</b>		
Salaries, wages and bonus		719.61	836.37
Staff Welfare and contribution to other Funds		33.93	59.94
		<b>753.55</b>	<b>896.31</b>
<b>Finance Costs :</b>	<b>25</b>		
Interest Expense on:			
(i) Interest		614.14	578.35
(ii) Other Borrowing Costs		-	0.06
		<b>614.14</b>	<b>578.40</b>
<b>Other Expenses</b>	<b>26</b>		
<b>Manufacturing Expenses</b>			
Power & Fuel		562.15	582.00
Repairs & Maintenance			-
- Buildings		11.34	13.08
- Plant & Machinery		41.18	47.91
- Electricals		29.17	8.16
Other Manufacturing Expenses		1,390.45	1,173.37
(a)		<b>2,034.29</b>	<b>1,824.52</b>
<b>Selling Expenses</b>			
Advertisement		9.17	5.60
Ocean freight and export expenses		2,104.79	884.03
Marketing Expenses		88.53	187.07
Discount Allowed		63.64	61.58
(b)		<b>2,266.12</b>	<b>1,138.28</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	1.50
Audit Expense		0.18	0.11
Bank Charges		35.50	13.13
Bad Debts		7.19	86.90
Donation		0.75	5.00

(Rs in Lakhs)

Particulars	Note No.	As At March 31, 2022	For the year ended March 31, 2021
Consultancy Fees		155.97	74.38
Communication Expenses		5.36	5.84
General Expenses		27.64	25.09
Fuel Charges		6.28	5.48
Insurance		16.61	26.62
Legal, Statutory & Documentation Charges		11.73	0.35
Listing Fee		3.00	3.00
Loss on sale of vehicle		-	-
Inspection Charges		0.51	0.80
Office Maintenance		16.08	9.77
Printing & Stationery		5.60	8.42
Registration & Renewals		24.80	10.04
Rates & Taxes		263.09	211.31
Security Charges		40.48	49.25
Office Rent		24.11	23.86
Foreign Currency Loss			-
Cold Storage Maintenance			-
Revocation Fees to SEBI			-
Travelling & Conveyance Expenses		27.91	31.38
Vehicles Maintenance		111.75	61.38
	(c)	790.05	657.62
<b>Grand Total (a+b+c)</b>		<b>5,090.46</b>	<b>3,620.42</b>
Earnings per Share	27	As At March 31, 2022	As At March 31, 2021
Profit / (Loss) After Tax attributable to Equity Shareholders		342.58	261.62
Weighted average number of equity shares		223.29	220.13
Basic & Diluted Earnings per Share		1.53	1.19
Face Value of the Share		10.00	10.00



## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Thursday, the 29<sup>th</sup> September, 2022, at 11:00 A.M through Video Conferencing/ Other Audio-Visual Means (OAVM) to transact the following business;

### ORDINARY BUSINESS

#### 1. Consideration of Financial Statements together with the reports of the Directors and Auditors thereon:

To consider to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the Reports of the Board of Directors and the Statutory Auditors thereon be and are hereby received, considered and adopted."

#### 2. To Re-appoint a director in place of Mr. Shanmugam (DIN: 08877587), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and, if deemed fit, to pass with or without modification(s) 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 (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 liable to retire by rotation."

#### 3. To Re-appoint M/s A.R Krishnan & Associates, Chartered Accountants as Statutory Auditors of the Company.

To consider and, if deemed fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and all the other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Audit and Auditors) rules 2014, (including any statutory modifications or re-enactments thereof for the time being in force) M/s. A.R Krishnan & Associates, Chartered Accountants, Chennai (FRN:009805S) be and are hereby re-appointed as the Statutory Auditors of the Company for second term of five (5) consecutive years, (FY 2022-2023 to 2026-2027) who shall hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting until the conclusion of 37<sup>th</sup> Annual general Meeting of the Company to be held in the year 2027, on a remuneration fixed at Rs. 5,50,000/- (Rupees Five- Lakhs and Fifty Thousand only) plus applicable taxes as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** any one of the board of directors of the Company or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary, desirable, and expedient to give effect to this resolution."

**SPECIAL BUSINESS****4. REGULARISATION OF MR. SWAYZE MANI (DIN:09604569) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

*To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION***

**“RESOLVED THAT** in supersession of all earlier resolution passed in this regard and pursuant to the provisions of Section 149, 150 and 152, read with Schedule IV of the Companies Act, 2013 (the “Act”), the rules made thereunder and Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Swayze Mani (DIN: 09604569) (Registration Number IDDB-NR-202205-042445), who was appointed as an Additional Director of the Company with effect from 16<sup>th</sup> May, 2022 and holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act, be and is hereby regularized as an Independent Director of the Company to hold office for a period of 05 (five) consecutive years from 16<sup>th</sup> May, 2022.

**RESOLVED FURTHER THAT** any one of the Directors of the company be and is hereby severally authorized to file necessary e-Forms with the Registrar of Companies, Chennai, intimate to the stock exchanges and to do all such other acts, deeds, things etc. as may be necessary to give effect to the above resolution.”

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

**Sd/-**

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

**Place: Nellore**

**Date: 31<sup>st</sup> August 2022**

**Registered Office: Vekkannapalem Village T.P Gadur Mandal  
Nellore District, Andhra Pradesh 524002  
e-mail: cs@sharatindustries.com  
Website: www.sharatindustries.com  
CIN: L05005AP1990PLC011276  
Telephone Number:8897628787**

## NOTES

1. The details pursuant to Regulation 36(3) & (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Director seeking re-appointment and Auditor seeking appointment and the Explanatory Statement in respect of appointment of Directors and Auditors are annexed hereto.
2. In view of the ongoing scare of fresh wave of the pandemic, the Annual General Meeting of the Company is being conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), which does not require physical presence of Members at a common venue. The Annual General Meeting is convened in line with the requirements of the circulars issued by the Ministry of Corporate Affairs (MCA) dated 5th May, 2020, 13th January, 2021 and 05<sup>th</sup> May, 2022 read with other previous circular issued in that connection and Circular No. SEBI/HO/ CFD/ CMD1/CIR /P/2020/79 dated 12th May, 2020 and SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the AGM shall be deemed to be the Registered Office of the Company situated at Venkannapalem, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, 524 002
3. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts concerning ordinary business forms part of this notice
6. 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.
7. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at [cs@sharatindustries.com](mailto:cs@sharatindustries.com) not before the 48 hours of the meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members will be entitled to vote.
9. Mr. Amresh Kumar, proprietor of M/s. Amresh & Associates, Company Secretary Practice has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and voting through the e-Voting system during the meeting in a fair and transparent manner
10. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on General Meetings" is not attached since the Meeting will be conducted through VC/OAVM.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidation into a single folio.

### **CDSL e-Voting System – For Remote e-voting and e-voting during EGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 3/2022 dated May 05, 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e- Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. 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
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM 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 Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
5. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 3/2022 dated May 05, 2022.

### **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER**

- i. The voting period begins on from Monday 26<sup>th</sup> September 2022 09:00 A.M to Wednesday 28<sup>th</sup> September 2022 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 22<sup>nd</sup> September 2022 may cast their vote electronically. The e voting module shall be disabled by CDSL for voting thereafter.
- ii. The registrar of members and the share transfer books of the company will be remain closed from 23<sup>rd</sup> September 2022 to 29<sup>th</sup> September 2022 (both days inclusive).
- iii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue

- iv. 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. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders
- v. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- vi. 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>	<p>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.</p> <p>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.</p> <p>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/ Easi Registration</a></p> <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 22-23058542-43.
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

**(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	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.
Dividend Bank Details or Date of Birth (DOB)	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 in order to login. 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).

- (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 220905131
- (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 EGM 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, 25th 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 48 hours 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.

## EXPLANATORY STATEMENTS

### (AS REQUIRED PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE ACT)

#### **ITEM NO:3 TO RE-APPOINT M/S A.R KRISHNAN & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY**

In terms of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 made thereunder, the term of the present Statutory Auditor of the Company, M/s. A.R Krishnan & Associates, Chartered Accountants (Registration Number: 009805S), will be completing at the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company.

The Board of Directors at its meeting held on 30<sup>th</sup> July 2022, after considering the recommendation of the Audit committee, had recommended the re-appointment of M/s. A.R Krishnan & Associates, Chartered Accountants (Registration Number: 009805S), as the Statutory Auditors of the Company for approval of Members. The proposed Auditors shall hold office for a Period of five (5) consecutive years from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting of the Company.

M/s. A.R Krishnan & Associates, Chartered Accountants, Chennai having Registration No. 009805S has a vast knowledge, expertise and core competence in Audit of Banks and Insurance, Statutory audit, internal audit, Tax audit, Management consultancy, accounting, taxation related areas. Currently, the firm is having 8 (Eight) partners with varied experience in the field of Audit, Advisory and Taxation.

M/s. A.R Krishnan & Associates, Chartered Accountants, have consented to the aforesaid re-appointment and confirmed that their re-appointment, if made, will be within the limits as specified under Section 141 (3) (g) of the Companies Act 2013. They have further confirmed that they are not disqualified to be re-appointed as Statutory Auditors of the Company.

Pursuant to Section 139 of the Companies Act 2013, approval of members is required for re-appointment of Statutory Auditors and fixing their remuneration by means of ordinary resolution. Accordingly, approval of the members is sought for re-appointment of M/s. A.R Krishnan & Associates, Chartered Accountants as Statutory Auditors of the Company and to authorize the Board of Directors on recommendation of the Audit committee, to determine the remuneration payable to them.

None of the Directors, Key managerial Personnel of the Company and their respective relatives are concerned or interested in the resolution. The Board of Directors recommends the resolution for approval of Members.

#### **ITEM NO: 4 REGULARISATION OF MR. SWAYZE MANI (DIN:09604569) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Swayze Mani (DIN: 09604569) as an Additional Director with effect from 16<sup>th</sup> May, 2022 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and as an Independent Director pursuant to Section 149 of the Act. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Swayze Mani will hold office only up to the date of ensuing General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) of the Act to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Act. In the opinion of the Board, Mr. Swayze Mani fulfils the conditions specified in the Act and rules made thereunder

for his appointment as an Independent Director of the Company and is independent of the management.

Mr. Swayze Mani, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years commencing from 16<sup>th</sup> May, 2022.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 16<sup>th</sup> May, 2022 has approved the appointment of Mr. Swayze Mani as an Independent Director and recommends the same for the approval by the Shareholders of the Company through Special Resolution

Except Mr. Swayze Mani, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4 of this Notice



## 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 Obligation and Disclosure Requirements) Regulation, 2015 ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are as under:**

Mr. Shamugam (DIN:08877587)

Age	54 Years
Qualifications	Bachelor of Commerce
Experience (Including Expertise in Specific Functional Area) Brief Resume	Mr. Shamugam experience span over 20 years in the areas of Customs. His expertise in Management and Admirative works
Terms & Conditions of Appointment	Re-appointment in case of retire by rotation
Remuneration Last Drawn (FY 2020-2021)	-
Remuneration Proposed to be Paid	-
Date of First appointment on the Board	12 <sup>th</sup> November 2020
Relationship with other Directors/Key Managerial Personnel	Not related to any Director
No, of Shares Held in the Company	Nil
Directorship in other Boards as on 31 <sup>st</sup> March, 2022	-
No. of Board meetings attended during the FY 2021-2022	4/8
Membership/ Chairmanship of committees of other listed companies as on March 31, 2022 (includes only Audit Committee and Stakeholders Relationship Committee)	-

Mr. SWAYZE MANI (DIN:09604569)

Age	60 Years
Qualifications	Bachelor of Commerce
Independent Director Registration Number	IDDB-NR-202205-042445
Experience (Including Expertise in Specific Functional Area) Brief Resume	Swayze Mani experience span over 25 years in the areas of Human Resource Management. His core competency lies in the management of people and client relationship management.
Terms & Conditions of Appointment	As mentioned in the notice and explanatory Statement
Remuneration Last Drawn (FY 2020-2021)	-
Remuneration Proposed to be Paid	-
Date of First appointment on the Board	16 <sup>th</sup> May, 2022

Relationship with other Directors/Key Managerial Personnel	Not related to any Director
No. of Shares Held in the Company	Nil
Directorship in other Boards as on 31 <sup>st</sup> March, 2022	-
No. of Board meetings attended during the FY 2021-2022	Nil
Membership/ Chairmanship of committees of other listed companies as on March 31, 2022 (includes only Audit Committee and Stakeholders Relationship Committee)	-

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

Sd/-

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



## **SHARAT INDUSTRIES LIMITED**

### **Registered Office**

Venkannapalem Village,  
T.P. Gudur Mandal  
SPSR Nellore District  
Andhra Pradesh - 524 008  
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)

### **Feed Marketing Office**

Flat 2B, 2nd Floor, Block - B,  
Sea Doll Apartments,  
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