



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, Website : www.sharatindustries.com

8th February, 2024

BSE Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001.

BSE Scrip Code: 519397

Dear Sir / Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Ref: Our letter dated 28th December 2023

Pursuant to Regulation 30 read with Clause 20 of Para A of Part A of Schedule III of SEBI Listing Regulations, we submit the details of Order received by the Company from the Securities and Exchange Board of India.

The required details under SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are enclosed as Annexure A.

The above intimations may kindly be taken on record.

Thanking You,

Yours faithfully,

FOR SHARAT INDUSTRIES LIMITED

BALAMURUGAN M
COMPANY SECRETARY & COMPLIANCE OFFICER
M.NO: A66115

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

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



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Annexure - A

S. No.	Particulars	Remarks
1	Name of the Authority	Securities and Exchange Board of India (SEBI)
2	Nature and details of the action(s) taken, initiated or order(s) passed	<p>Settlement order dated 5th February 2024 passed by the SEBI in respect of the Suo Moto Settlement Application filed by the Company under SEBI (Settlement Proceedings) Regulations, 2018 and payment of settlement amount of Rs.36,25,000 for the following:</p> <p>1) In respect of the preferential issue of 19,00,000 warrants to non-promoters as approved by the shareholders vide special resolution passed in their Extraordinary General Meeting (EGM) held on 8th November 2021, the following departures under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:</p> <p>a) Allotment of warrants to non-promoter allottees within 15 days of passing the special resolution by the shareholders.</p> <p>b) Non-disclosure of few details in the Explanatory Statement contained in the notice of the EGM.</p> <p>c) Pre-preferential shareholding of one of the allottees was not lock-in as mandated under 167 (6) of the said Regulation.</p> <p>2) For the period between Quarter ended January 2022 until March 2023, the list of preferential issue allottees were not captured in the Shareholding pattern submitted by the Company.</p> <p>3) Non appointment of Compliance Officer (under SEBI LODR) for the period from 12th January 2022 to 26th May 2022 and for the period from 6th December 2022 to 21st April 2023.</p>



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S. No.	Particulars	Remarks
3	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	7 th February, 2024
4	Details of the violation(s)/ contravention(s) committed or alleged to be committed	-
5	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	The maximum financial impact is to the extent of the settlement amount paid which is Rs.36,25,000.

FOR SHARAT INDUSTRIES LIMITED

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COMPANY SECRETARY & COMPLIANCE OFFICER
M.NO: A66115

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SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
SETTLEMENT APPLICATION NO. 7020 OF 2022
FILED BY SHARAT INDUSTRIES LIMITED [PAN NO: AACCS8215J]
IN THE MATTER OF SHARAT INDUSTRIES LIMITED

1. Sharat Industries Limited (hereinafter referred to as “**Applicant**”) filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against it for the violation of:

- i. Regulation 170(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as “**ICDR Regulations**”),
- ii. Regulation 163(1) of the ICDR Regulations, 2018
- iii. Regulation 167(6) of the ICDR Regulations, 2018
- iv. Regulation 31(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”)
- v. Regulation 6 of the LODR Regulation, 2015

2. Brief facts of the case are as follows:

2.1 The Board of Directors of the Applicant approved a preferential allotment of 19,00,000 convertible warrants to non-promoter allottees on November 08, 2021. The allotment was approved by the Shareholders through an Extraordinary General Meeting held on December 08, 2021. A shareholders notice for Extraordinary General Meeting to be held on December 08, 2021 was sent on November 12, 2021. The Applicant allotted warrants to non-promoter allottees on January 11, 2022 after receiving 25% consideration

for the issue of warrants to respective allottees. The Applicant further allotted 19,00,000 equity shares vide Board Meeting held on January 31, 2022 pursuant to conversion of warrants into equity shares and balance payment by respective allottees. In this regard, the Applicant did not allot securities within 15 days of passing of special resolution as mandated under Regulation 170(1) of the ICDR Regulations.

2.2 Further, the disclosures specified under Regulation 163(1) of ICDR Regulations were not mentioned in the Explanatory Statement of Notice of Extraordinary General Meeting dated November 12, 2021. Thereafter, the Applicant, vide notice dated May 17, 2022, called for an Extraordinary General Meeting on June 10, 2022. The disclosures mandated under Regulation 163(1) of the ICDR Regulations were included in the notice dated May 17, 2022 for an Extraordinary General Meeting dated June 10, 2022.

2.3 Further, the pre-preferential shareholding of one of the allottees was not kept under lock-in which is in contravention of Regulation 167(6) of the ICDR Regulations, which specifies that the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of 90 trading days from the date of trading approval.

2.4 Further, the Applicant had submitted incorrect shareholding pattern under Regulation 31(1) of the LODR Regulations. Pursuant to the preferential allotment the names of allottees were not reflecting in "*Shareholders holding more than 1% of the total number of shares*" in the shareholding pattern for quarters ended January 2022 to March 2023. The Applicant filed the revised disclosures under Regulation 31(1) of the LODR Regulations for the quarters ended January 2022 to March 2023 on September 15, 2023.

2.5 Furthermore, the Applicant failed to appoint a compliance officer for the period dated January 12, 2022 to May 26, 2022 and December 06, 2022 to April 21, 2023 as mandated under Regulation 6 of the LODR Regulations.

3. In view of the aforesaid facts, the Applicant filed the present application for the purpose of settling the proceedings that may be initiated against it for the said non-compliances as mentioned in para 1 above.
4. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on March 09, 2023 and September 01, 2023, wherein the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide email dated March 27, 2023 and September 05, 2023, the Applicant proposed revised settlement terms to settle any enforcement proceedings that may be initiated against it for the violations as stated above at paragraph 1.
5. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on June 17, 2023 and November 02, 2023, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹36,25,000/- (Rupees Thirty six lakhs twenty five thousand only). The recommendation of the HPAC was accepted by the Panel of Whole Time Members of SEBI on December 15, 2023. Subsequently, a Notice of Demand for the said amount was issued to the Applicant on December 27, 2023. The Applicant informed about the remittance of the aforesaid settlement amount on January 04, 2023 and SEBI has confirmed credit of the same.
6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicant on the following terms:
 - i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
 - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:

- (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
- (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
- (c) there is a discrepancy while arriving at the settlement terms.

7. This Settlement Order is passed on this 5th day of February, 2024 and shall come into force with immediate effect.

8. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

Sd/-

KAMLESH C. VARSHNEY
WHOLE TIME MEMBER

Sd/-

AMARJEET SINGH
WHOLE TIME MEMBER