

# **SHARAT INDUSTRIES LIMITED**



**14<sup>th</sup> Annual Report 2003-2004**

**BOARD OF DIRECTORS**

- |    |                          |                              |
|----|--------------------------|------------------------------|
| 1. | Mr. S. Prasad Reddy      | Chairman & Managing Director |
| 2. | Mr. A. Ramakrishna Reddy | Director                     |
| 3. | Mr. N. Suresh            | Director                     |
| 4. | Mr. T. Valasraj          | Director                     |

**BANKERS**

CORPORATION BANK

**AUDITORS**

M/s. P.A. REDDY & CO.,  
Chartered Accountants,  
2411/422 A, Saraswathi Nagar,  
Dargamitta,  
Nellore - 524 003.

**REGISTERED OFFICE & FARM**

VENKANNA PALEM VILLAGE  
T.P. Gudur Mandal,  
Nellore District,  
Andhra Pradesh.

**CORPORATE OFFICE**

No. 17 (old No. 30)  
Luz Avenue,  
Mylapore,  
CHENNAI - 600 004.

**NOTICE**

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of the Company will be held on Monday, the 6<sup>th</sup> December, 2004, at 10 a.m. at the Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District to consider the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. S. Prasad Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

"Resolved that pursuant to Sections 269, 198, 309 and Schedule XIII and all other applicable provisions if any, of the Companies Act 1956, the consent of the members be and is hereby given to the reappointment of Mr. S. Prasad Reddy as Managing Director for a period of two years w.e.f. 30th November 2004 on the following terms and conditions:

- (i) Salary Rs. 5,000/- per month.
- (ii) Furnished accommodation, the expenditure on which shall not exceed Rs. 5,000/- per month.
- (iii) "Provision of car for official business and telephone at residence for official purpose".

BY THE ORDER OF BOARD OF DIRECTORS  
for SHARAT INDUSTRIES LIMITED

PLACE : VENKANNAPELEM  
DATE : 08-10-2004

(Sd)  
S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED ON 6<sup>th</sup> DECEMBER, 2004.
3. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT., 1956, IN RESPECT OF SPECIAL BUSINESS IS ANNEXED HERETO.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT**

***(Pursuant to Section 173 (2) of the Companies Act, 1956)***

**Item No. 4**

Mr. S. Prasad Reddy was re-appointed as Managing Director of the company for a period of three years w.e.f. 30<sup>th</sup> November 2001. The re-appointment is valid upto **29<sup>th</sup> November 2004**.

The Board of Directors at their meeting held on 8<sup>th</sup> October 2004 have re-appointed Mr. S. Prasad Reddy as Managing Director for a further period of two years w.e.f. 30th November 2004 on the terms and conditions mentioned in the proposed resolution. This was also approved by the Remuneration Committee constituted pursuant to Schedule XIII to the Companies Act, 1956. The Board recommends the passing of the resolution.

Except Mr. S. Prasad Reddy, no other director is either interested or concerned in the resolution.

The above may be considered as an 'Abstract of the terms and conditions of the appointment' for the purpose of section 302 of the companies Act, 1956.

BY THE ORDER OF BOARD OF DIRECTORS  
for SHARAT INDUSTRIES LIMITED

PLACE : VENKANNAPELEM  
DATE : 08-10-2004

(Sd)  
S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

## **DIRECTORS' REPORT**

To  
The Members of Sharat Industries Limited,  
Venkannapalem, Nellore Dt.

The Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2004.

### **FINANCIAL RESULTS**

Particulars	YEAR ENDED 31-03-2004 (Rs. in lakhs)	YEAR ENDED 31-03-2003 (Rs. in lakhs)
Total Sales	1750.13	1421.07
Profit (+)/ Loss (-)	(+) 515.57	(-) 523.16
Deferred tax adjustments	(+) 481.69	(+) 544.41
Balance Brought Forward	(-) 5317.69	(-) 5840.84
Balance Carried forward	(-) 4802.12	(-) 5317.69

### **OPERATIONS**

There is a marginal increase in the turn over. It is hoped that your company would make a steady progress and achieve desired results in the years to come.

### **SICKNESS**

The BIFR at its hearing held on 08.10.2003 declared the Company as 'Sick' and appointed IFCI as Operating Agency. The Company submitted a proposal for One Time Settlement to rehabilitate the Company. At the Joint meeting convened by the Operating Agency, the Institutions namely IFCI, IDBI and IIBI have agreed in principle to waive 50% of the principal and total interest outstanding. IDBI has already approved the OTS proposal. The written approvals from IFCI and IIBI are awaited. In the meantime, the amounts due to BOB & ICICI under the OTS have been paid in full.

In order to meet the requirement of funds for OTS, the company proposes to issue Redeemable Preference Shares. During the year a sum of Rs. 2,92,96,807/- is received as Preference Share Application Money.

### **FUTURE OUTLOOK:**

In the present marine product market, Shrimp is playing a vital role. Our product has been well received and accepted abroad. It is hoped that the performance will further improve in the years to come.

### **PARTICULARS OF EMPLOYEES**

During the year, there were no employees drawing remuneration as per limits specified under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for the year under review.
- (iii) That the Directors have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ; and
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a going concern basis.

**ADDITIONAL INFORMATION AS REQUIRED U/S 217(1) (e) OF THE COMPANIES ACT, 1956**

- (a) **Conservation of Energy** : The Company is monitoring the consumption of energy and is identifying the areas for conservation of energy.
- (b) **(i) Technology Absorption, adaptation and innovation :**
- (1) The company has entered into Technical Collaboration Agreement with M/s. HIGH WON FISHERY DEVELOPMENT CORPORATION, SINGAPORE for the transfer of Technical Know-how and Training the production personnel of the organisation.
  - (2) **Buy-back Agreement** : The Company has entered into Buy-back Agreement for its products with M/s. High Won Fishery Development Corporation, Singapore.
- (ii) Research and Development (R & D):** The Company is in the process of identifying areas in which R & D can be carried out.
- (c) **Foreign Exchange earnings and out go :**
- ① Foreign Exchange earnings : US \$ 33,87,359.00 equivalent to Rs.15,58,48,044.00 (P.Y. US \$ 26,76,595.64 equivalent to Rs. 12,82,68,631.00)
  - ② Foreign Exchange outflow during the year on account of Import of Capital Goods and Raw Materials : US \$ 5,50,394.00 equivalent to Rs. 2,43,96,982.00 (P.Y. US \$ 607946.33 and DKK 3200 equivalent to Rs. 29758953 and Rs. 18944 respectively.)

**CORPORATE GOVERNANCE**

As your company has become sick, it could not comply with the requirements on Corporate Governance. However, steps are being taken to comply with the same.

**AUDIT COMMITTEE**

The Board has constituted an Audit Committee with three independent directors viz., Mr. A.Ramakrishna Reddy, N. Suresh and T. Valasaraj. The committee met on 23-10-2003, 24-01-2004 and 21-04-2004 at which all the members were present.

**DIRECTORS**

Mr. S. Prasad Reddy retires by rotation and being eligible, offers himself for re-appointment.

**AUDITORS**

M/s. P.A. Reddy & Co., Chartered Accountants, retiring auditors of the company, being eligible, offer themselves for reappointment as auditors of the company. They have furnished a certificate of their eligibility u/s 224(1B) of the Companies Act, 1956. The members are requested to reappoint the auditors and authorise the Managing Director to fix their remuneration.

**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.

**DEPOSITS**

The Company has not accepted any deposits during the year.

**ACKNOWLEDGEMENTS**

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by IFCI, IDBI, IIBI, ICICI, Bank of Baroda, MPEDA and other Government Agencies.

By the order of Board of Directors  
for SHARAT INDUSTRIES LIMITED

(Sd)

PLACE : VENKANNA PALEM  
DATE : 08-10-2004

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

## AUDITOR'S REPORT TO THE MEMBERS OF SHARAT INDUSTRIES LIMITED

To

The Members of Sharat Industries Limited.

- 1) We have audited the attached Balance Sheet of **SHARAT INDUSTRIES LIMITED** as at March 31, 2004 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection 3 (c) of section 211 of the Companies Act, 1956 and subject to:
    - i) *Non provision for retirement benefits to the employees as required by the Accounting Standard - 15 issued by the Institute of Chartered Accountants of India;*
    - e) On the basis of written representations received from the directors, as on March 31, 2004 and taken on record by the board of directors of the Company, none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
    - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and subject to:
      - i) *Non provision for interest, liquidated damages, penal interest and compound interest as per the terms of agreement and the effect of such non provision could not be quantified due to non reconciliation of the loan accounts with the financial institutions;*
      - ii) *Non provision for retirement benefits to the employees as required by the Accounting Standard 15 issued by the Institute of Chartered Accountants of India. In the absence of full details, the effect of such non provision on the profit for the year and the deficit in the profit and loss account of the company, could not be quantified;*
      - iii) *Non availability of confirmation of balances from banks, financial institutions and trade creditors;*
      - iv) *Non provision for excise duty liability of Rs. 77.15 lakhs, as a result of which the profit for the year is overstated and the deficit in the profit and loss account and the current liabilities are understated by the like amount;*
      - v) *Recognition of Rs. 8,52,89,906/- and Rs 31,71,244/- as income in the profit and loss account for the year, by writing back the interest and foreign currency fluctuation respectively, provided in the earlier years on the loan from M/s ICICI BANK ( erstwhile M/s ICICI LTD ), as provision no longer required, even before the final clearance from M/s ICICI BANK regarding the OTS ( one time settlement );*
  - give a true and fair view in conformity with the accounting principles generally accepted in India:
    - ① In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2004;
    - ② In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - ③ In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

for M/s. P.A. REDDY & CO.,  
CHARTERED ACCOUNTANTS

(Sd)

P. ASHOK REDDY

(Proprietor)

PLACE : NELLORE  
DATE : 08-10-2004

## ANNEXURE TO THE AUDITOR'S REPORT OF SHART INDUSTRIES LIMITED

(Referred to in paragraph 3 of our report of even date)

Based on the information and explanations furnished to us and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

- i) In respect of its fixed assets:
  - a) *The maintenance of proper records showing full particulars including quantitative details and situation of fixed assets, is inadequate and needs to be improved substantially*
  - b) We are informed that during the year, the fixed assets have been physically verified by the management and that there are no discrepancies between the physical stocks and the book records. However, in the absence of proper records, we are unable to comment on such physical verification.
  - c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii) In respect of inventories of finished goods, work in process, raw materials, stores and spares:
  - a) Physical verification of inventory has been conducted at various intervals by the management during the year.
  - b) The procedures of physical verification of inventories followed by the management are by and large adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records are not material and the same have been properly dealt with in the books of account.
- iii) The Company has not granted/taken any loans to/from any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4 (iii) of the Order, are not applicable to the Company.
- iv) There are adequate internal control procedures commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and with regard to the stock of goods. We have not observed any major weakness in the internal controls during the course of audit.
- v) According to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the companies act, 1956. Therefore, the provisions of paragraph 4 (v) of the Order, are not applicable to the Company.
- vi) The Company has not accepted any deposits from the public. Therefore, the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and the provisions of paragraph 4 (vi) of the Order, are not applicable to the Company.
- vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- viii) The Central Government has not prescribed for the Company the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. Therefore, the provisions of paragraph 4 (viii) of the Order are not applicable to the Company.
- ix) In respect of statutory dues according to the information and explanations given to us:
  - a) The Company has been generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state Insurance, Income tax, sales tax, customs duty, excise duty and other statutory dues applicable to it except TDS where remittances have been made with delay. No undisputed dues payable in respect of Income tax, sales tax, customs duty and excise duty were in arrears, as at March 31, 2004 for more than six months from the date they became payable.
  - b) *The particulars of dues of sales tax, Income tax, customs duty, and excise duty as at March 31, 2004 which have not been deposited on account of a dispute are as follows:*

Name of the Statue	Assessment Year	Amount (Rs. in Lakhs)	Forum where the dispute is pending
Excise duty	1993-94 to 2002-03	77.15	CESTAT, B'LORE

(x) The Company's accumulated losses as at March 31<sup>st</sup>, 2004 are more than 50% of the net worth and has incurred cash losses during the Financial year ended on that date. In the immediately preceding financial year, the Company had not incurred any cash losses.

(xi) The company has defaulted in repayment of dues to a bank. However during the year, the dues of the bank have been settled through OTS (one time settlement). The Company has not issued any debentures. The company has defaulted in repayment of dues financial institutions as under :

Rs. in lakhs

Principal	Funded interest	Interest accrued and due	Total	Period of default
2634.04	1685.56	2750.82	7070.42	From F.Y. 1999-2000

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4 (xii) of the Order are not applicable to the Company.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of paragraph 4 (xiii) of the Order are not applicable to the Company.

xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of paragraph 4 (xiv) of the Order are not applicable to the Company.

xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 4 (xv) of the Order are not applicable to the Company.

xvi) The Company has not obtained any term loans during the year. Therefore the provisions of paragraph (xvi) of the Order are not applicable to the Company for the year under audit.

xvii) On the basis of overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.

xviii) The Company has not issued any preferential allotment of shares during the year other than the application money received from a group of investors without complying with the provisions of Sec. 81(1 A) OF The Companies Act, 1956.

xix) The Company has not issued any debentures during the year nor any debentures are outstanding at the end of the year.

xx) The Company has not raised any money by way of public issues during the year.

xxi) As represented to us by the management and based on our examination in the normal course of audit, no material frauds on or by the Company have been noticed or reported during the year.

for M/s. P.A. REDDY &amp; CO.,

CHARTERED ACCOUNTANTS

(Sd)

P. ASHOK REDDY  
(Proprietor)PLACE : NELLORE  
DATE : 08-10-2004



**BALANCE SHEET AS AT 31-03-2004**

PARTICULARS	SCHEDULE No.	ASAT 31-03-2004	ASAT 31-03-2003
<b>I. SOURCES OF FUNDS</b>	Rs.	Rs.	
1. SHAREHOLDERS FUNDS			
a. Capital	A	220125000	220125000
b. Reserves & surplus	B	791687	852250
c. Preference Share Application Money	B-1	29296807	—
2. LOAN FUNDS			
a. Secured Loans	C	707043609	831309562
<b>TOTAL</b>		<b>957257103</b>	<b>1052286812</b>
<b>II. APPLICATION OF FUNDS</b>			
1. FIXED ASSETS	D		
a. Gross Block		632259980	639393436
b. Less Depreciation		162518506	136382417
c. Net Block		469741474	503011019
d. Capital work in progress		5007034	3984217
2. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories	E	42458382	63990705
b. Sundry Debtors	F	4073324	13951105
c. Cash & Bank Balances	G	6581877	8352981
d. Loans, Advances & Deposits	H	16169699	5198819
		69283282	91493610
Less : Current Liabilities and Provisions	I	113305610	173213313
NET CURRENT ASSETS		(44022327)	(81719703)
3. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	J	—	754178
DEFERRED TAX (Assets)		46318735	94487759
4. PROFIT & LOSS Account		480212188	531769342
<b>TOTAL</b>		<b>957257103</b>	<b>1052286812</b>

## NOTES ON ACCOUNTS

R

The Schedules referred to above form part of the accounts.

This is the Balance Sheet referred to in our report of even date.

for P. A. REDDY & CO.,  
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(Sd)  
P. ASHOK REDDY  
PROPRIETOR(Sd)  
S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTORPLACE : VENKANNAPELEM  
DATE : 08-10-2004(Sd)  
A. RAMAKRISHNA REDDY  
DIRECTOR

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004**

PARTICULARS	SCHEDULE No.	YEAR ENDING 31-03-2004	YEAR ENDING 31-03-2003
<b>I. INCOME</b>		<b>Rs.</b>	<b>Rs.</b>
Operating Revenue	K	175013470	142107218
Other Income	L	98138208	51238836
Variance in Stock	M	- 20912752	18350447
	<b>TOTAL</b>	<b>252238926</b>	<b>211696501</b>
<b>II. EXPENDITURE</b>			
Materials	N	53777334	122327113
Personnel	O	11276410	12094414
Over heads	P	59655184	51599845
Finance	Q	795903	511534
Depreciation	D	27007916	27288118
	<b>TOTAL</b>	<b>152512747</b>	<b>213821024</b>
PROFIT / LOSS BEFORE TAX		99726178	(2124523)
LESS PROVISION FOR TAX			
CURRENT TAX	NIL	-	-
DEFERRED TAX	48169024	48169024	54441301
PROFIT / LOSS AFTER TAX		51557154	52316778
INCOME TAX RELATED TO EARLIER YEAR		—	(2135)
DEFICIT BROUGHT FORWARD		(531769342)	(584083985)
		(480212188)	(531769342)
DEFICIT CARRIED TO BALANCE SHEET		(480212188)	(531769342)
EARNINGS PER SHARE (Before Extraordinary Item)		(1.44)	(1.98)
EARNINGS PER SHARE (After Extraordinary Item)		2.43	(0.10)

## NOTES ON ACCOUNTS

R

The Schedules referred to above form part of the accounts.

This is the Profit and Loss Account referred to in our report of even date.

for P.A. REDDY & CO.,  
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(Sc)  
P. ASHOK REDDY  
PROPRIETOR(Sc)  
S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTORPLACE : VENKANNA PALEM  
DATE : 08-10-2004(Sc)  
A. RAMAKRISHNA REDDY  
DIRECTOR

## SCHEDULE - A

## SHARE CAPITAL

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
AUTHORISED CAPITAL		
30000000 (50000000) Equity Shares of Rs. 10/- each	300000000	500000000
2000000 Redeemable preference shares of Rs. 100/- each	200000000	—
	<u>500000000</u>	<u>500000000</u>
ISSUED, SUBSCRIBED & PAID-UP :	220125000	220125000
22012500 (22012500) Equity Shares of Rs. 10/- Each	<u>220125000</u>	<u>220125000</u>

## SCHEDULE - B

## RESERVES &amp; SURPLUS

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
CAPITAL RESERVE :		
Capital Subsidy	852250	912812
Add: Received during the year from MPEDA	—	250000
	<u>852250</u>	<u>1162812</u>
Less Adjusted to the cost of the Asset during the year	—	250000
	<u>852250</u>	<u>912812</u>
Less Transferred to P & LA/c	60563	60562
	<u>791687</u>	<u>852250</u>

## SCHEDULE - B1

Preference Share Application Money	29296807
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## SCHEDULE - C

## SECURED LOANS

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
FROM INSTITUTIONS	263403573	294579620
FUNDED INTEREST	168556873	199886352
INTEREST ACCRUED AND DUE	275083163	329043590
(Secured by way of first charge against mortgage of all future and present immovable properties and by hypothecation of all future and present movable properties)		
FROM BANKS	—	7800000
(Secured against documentary bills discounted for collection further secured against the first charge of hypothecation of stocks, debts, bills and personal guarantee of directors)		
	<u>707043609</u>	<u>831309562</u>

## SCHEDULE - D

## FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	Ason 01-04-2003	Addition During the year	Deletion During the year	Ason 31-03-2004	upto 31-03-2003	Deletions	For the year	upto 31-03-2004	Ason 31-03-2004	Ason 31-03-2003
Land	37236372			37236372	—		—	—	37236372	37236372
Plant & Machinery	222475084	926249	7267239	216134094	37377559	787045	10234590	46825104	169308990	185097525
Building	115571512	—	449872	115121640	23080256	21818	3845063	26903501	88218139	92491256
Electrical Equipment	16451170	—		16451170	5640909		781431	6422340	10028830	10810261
Vehicles	6657048	—	357037	6300011	3120868	62964	617737	3675641	2624370	3536180
Pond construction	199402250	—		199402250	53686121		9471607	63157728	136244522	145716129
Furniture & Fixtures	4040470	—		4040470	1955210		255762	2210972	1829498	2085260
Office Equipment	2220712	14443		2235155	735114		105804	840918	1394237	1485598
Computers	151200	—		151200	50849		24510	75359	75841	100351
Jetty	35187618	—		35187618	10735531		1671412	12406943	22780675	24452087
	639393436	940692	8074148	632259980	136382417	871827	27007916	162518506	469741474	503011019
Capital WIP	3984217	1022817		5007034					5007034	3984217
TOTAL	643377653	1963509	8074148	637267014	136382417	871827	27007916	162518506	474748508	506995236
Previous Year	631877626	11750027	250000	643377653	109099667	5368	27288118	136382417	506995236	522777959

## SCHEDULE - E

## INVENTORIES

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Raw materials	19165267	19784838
Finished goods	23293115	44205867
	<u>42458382</u>	<u>63990705</u>

## SCHEDULE - F

## SUNDRY DEBTORS (Considered Good)

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Less than six months	4073324	13951105
	<u>4073324</u>	<u>13951105</u>

## SCHEDULE - G

**CASH & BANK BALANCES**

PARTICULARS	AS AT 31-03-2004	AS AT 31-03-2003
Cash on Hand	813005	784384
Cash at Bank	5768872	7568597
	<u>6581877</u>	<u>8352981</u>

## SCHEDULE - H

**LOANS, ADVANCES & DEPOSITS**

PARTICULARS	AS AT 31-03-2004	AS AT 31-03-2003
(Recoverable in cash or in kind or for value to be received ) un-secured considered good		
Loans & Advances	8575257	774972
Deposits	7022738	3770693
Other Current Assets	571704	653154
	<u>16169699</u>	<u>5198819</u>

## SCHEDULE - I

**CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	AS AT 31-03-2004	AS AT 31-03-2003
Creditors for Suppliers	94987830	87102950
Creditors for Expenses	5861446	6427574
Creditors for Others	12456334	79682790
	<u>113305610</u>	<u>173213314</u>

## SCHEDULE - J

**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Miscellaneous expenses	—	754178
	—	754178

## SCHEDULE - K

**OPERATING REVENUE**

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Sale of Shrimp	155848044	128268631
Sale of Seed	19165426	13838587
	175013470	142107218

## SCHEDULE - L

**OTHER INCOME**

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Interest on F.D. / Bank Guarantee / TDS	216686	150233
Sale of Papers etc.,	420	153454
Job work charges & Discount received	1985407	799020
Cash subsidy N/w off previous year	60563	60562
Foreign Exchange Fluctuation	7296556	2895838
Excess provision written back	3171244	—
Interest written back	85289906	41425032
Surplus Due to settlement with Creditors	—	5754697
Int. recd. on ht line electricity deposit	117426	—
	98138208	51238836

**VARIANCE IN STOCK**

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Closing Stock of Finished Goods	23293115	44205867
Opening Stock of Finished Goods	44205867	25855420
	-20912752	18350447

## SCHEDULE - N

## MATERIALS

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Opening Stock	19784838	18712132
Add: Purchases	53157763	123399819
	72942601	142111951
Less: Closing Stock	19165267	19784838
	53777334	122327113

## SCHEDULE - O

## PERSONNEL

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Salaries & Wages	9304047	9850212
Staff Welfare	444464	1000935
Provident Fund & Security charges	779675	831941
Bonus & HRA	748225	411326
	11276410	12094414

## SCHEDULE - P

OVERHEADS  
(A) FACTORY & FARM

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Power & Fuel	31977658	28509374
Processing Labour Charges	3848592	3787732
Repairs & Maintenance	1459874	3625505
Technical Fees	1500000	3274012
Hatchery & Culture Expenses	931662	831830
Other Expenses	506984	570090
Insurance	975359	833386
TOTAL(A)	41200129	41431929

## (B) ADMINISTRATION

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Travelling & Conveyance	306715	341754
Telephone & Postage	734954	615267
Audit Fees	193200	79000
Rent, Rates & Taxes	549141	349891
Listing & Legal Expenses	831447	121250
A.G.M. Expenses	58987	61231
Other Expenses	775870	991716
Miscellaneous Exp. written off	754178	800935
TOTAL(B)	4204493	3361044

**(C) SELLING EXPENSES**

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
AMC & Sales Tax	1370130	1176982
Clearing & Forwarding	986671	926145
Custom & Excise Duty	280378	140449
Freight & Transportation	6427428	3447246
Packing	2848081	1116054
Foreign exchange fluctuation	1452483	—
Other Expenses	885392	—
TOTAL (C)	14250562	6806876
GRAND TOTAL (A + B + C)	59655184	51599845

## SCHEDULE - Q

**FINANCE CHARGES**

PARTICULARS	ASAT 31-03-2004	ASAT 31-03-2003
Interest & Bank Charges	795903	511534
TOTAL	795903	511534



**ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PART-II OF  
SCHEDULE VI OF THE COMPANIES ACT, 1956**

	Year ended 31-03-2004			Year ended 31-03-2003	
	Quantity	Amount (In Lakhs)		Quantity	Amount (In Lakhs)
<b>A. Turnover</b>					
Frozen Shrimp (MT)	417.327	1554.48		262.086	1282.68
Seed (MT)	131.344	191.65		99.690	138.38
<b>B. Details of Raw Material Consumed</b>					
Shrimp Seed, Others		65.34			139.39
Shrimp		87.90			714.73
Feed		384.53			369.16
Total		537.77			1223.28
<b>Details of Captive Consumption</b>					
Seed (MT)	36.027			36.670	
Feed (MT)	1326.275			720.725	
<b>C. Capacity &amp; Production</b>					
<b>Installed Capacity</b>					
Farm (TPA)	1300.000			1300.000	
Seed (Millions)	400.000			400.000	
Feed Mill (MT)	9600.000			9600.000	
Processing Plant (MT)	3000.000			3000.000	
<b>Actual Production</b>					
Shrimp					
Own (MT)	525.126		241.745		
Purchases (MT)	40.902		241.211		
	566.028		482.956		
Less: Process Loss (MT)	189.014	377.014	155.842	327.114	
Seed (Millions)	166.801		133.830		
Feed Mill (MT)	1356.955		759.770		
<b>D. OPENING &amp; CLOSING STOCK</b>					
<b>Opening Stock</b>					
Shrimp - Farm (MT)		56.69			100.00
Seed (Millions)	0.570	0.57		3.100	4.65
Feed Mill (MT)	39.045	12.48		NIL	
Frozen Shrimp (MT)	96.510	372.31		31.482	153.89
<b>Closing Stock</b>					
Shrimp - Farm (MT)	0.000	0.00			56.69
Seed (Millions)	0.000	0.00		0.570	0.57
Feed Mill (MT)	69.725	18.82		39.045	12.48
Frozen Shrimp (MT)	56.197	214.10		96.510	372.31
<b>TOTAL</b>		<b>232.92</b>			<b>442.05</b>

## SCHEDULE - R

**NOTES ON ACCOUNTS**

## 1. SIGNIFICANT ACCOUNTING POLICIES

a. General

- i) The accounts are prepared on the historical cost basis and as a going concern and in accordance with normally accepted accounting standards.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b. Revenue Recognition

The company follows the Mercantile system of Accounting and recognizes income and expenditure on accrual basis.

c. Fixed Assets

Fixed Assets are recorded at the cost of acquisition inclusive of freight, duties, taxes and other incidental charges related to acquisition. Grants / subsidies received relating to specific fixed assets are deducted from the gross value of the asset concerned.

d. Foreign Currency Transaction

- i) Transaction denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time of transaction.
- ii) ~~The monetary items denominated in foreign currencies (such as Cash, Receivables, Payables etc.)~~ outstanding at the year end, are translated at the exchange rates applicable as of the date.
- iii) Any gain or loss arising due to exchange differences at the time of translation or settlement are accounted for in the profit and loss account under the head foreign exchange fluctuation account except those relating to acquisition of fixed assets, which are adjusted in the carrying cost.

e. Depreciation

The Depreciation on the fixed assets has been calculated on Straight Line method at the rates given in the Schedule XIV of the Companies Act, 1956.

f. Inventories

Finished goods and raw materials are valued at lower of cost or market price. Cost for this purpose includes material and related factory, farm and administrative overheads. Stores, spares and consumables are charged to profit and loss account in the year of purchase.

g. Sales

Sales are inclusive of excise duty and sales tax.

h. Retirement benefits

Contribution to defined contribution schemes such as provident fund and family pension fund are charged to profit and loss account as incurred. In respect of gratuity, no provision has been made in the accounts for the actuarially liability for future payment of gratuity. Gratuity payments are charged to profit and loss account in the years in which payments are made.

## 2. OTS with Banks / Financial Institutions:

a. Loan from Bank of Baroda: In respect of the loan with Bank of Baroda, as per the agreed one time settlement, a sum of Rs. 78.00 lakhs has been paid and the balance of Rs. 414.25 lakhs has been recognized in the P & L a/c for the year ending 31.03.2003 as remissions in the liability. While the bank has categorically stated that all the dues to it have been settled in full, Procedural formalities regarding withdrawal of securities offered, are yet to be completed.

b. Loan from ICICI Bank : As per the terms OTS (one time settlement) reached with ICICI Bank, a sum of Rs. 138.00 lakhs has been paid to the Bank and adjusted against their loan account. The balance in this loan account shall be reversed after receiving acknowledgement from the Bank that their dues have been settled in full. The accumulated interest and excess provision created for foreign currency fluctuation aggregating to 884.61 lakhs has been writtenback to the Profit & Loss Account as provision no longer required.

c. OTS with Other Financial Institutions : Negotiations are in progress with IDBI, IFCI and IIBI for one time settlement. In view of this, no provision is considered necessary for accrued interest, damages and other penal interests.

## 3. Taxes &amp; Duties : Customs &amp; Excise Duty :

a. Customs and Central Excise authorities have issued a show cause notice by invoking the notification 196/94 dt. 08.12.94, raising a cumulative demand of Rs. 629.03 lakhs. on the ground that shrimp seed production is liable for excise duty. The company has appealed against the demand and during the year, a revised demand notice for Rs. 77.15 lakhs has been served on the company. The company has appealed against the same. The

industry as a whole has taken up the issue with the government. In the meanwhile, as per the expert legal opinion obtained by the company, such levy of duty will not stand. Hence no provision is considered necessary in the books. However, the same has been shown as a contingent liability.

b. Income Tax : All the assessments for and up to the assessment year 2002-03 have been completed. In respect of assessment year 1996-97 & 1997-98, on certain disallowances made by the assessing officer, the company's appeal has been upheld by the first appellate authority. However such assessment had not resulted in any tax demand on the company.

4. Excise duty on closing inventory of feed:

The company in its capacity as 100% EOU, imports all the raw material required for the manufacture of feed duty free. The entire quantity of feed manufactured is used for captive consumption since the company's shrimp is exported, there is no liability for excise duty on feed manufactured. Therefore, no provision for excise duty on closing inventory of shrimp feed, is made.

5. AUDITORS REMUNERATION

	Current Year Rs.	Previous Year Rs.
Audit Fees	30,000-00	30,000-00
Tax Audit Fees	20,000-00	20,000-00
Tax representation Fees	40,000-00	25,000-00
Service Tax	5,100-00	4,000-00
Tax Appeal Fees	75,000-00	---
Sales Tax Rep. Fees	8,100-00	---

6. Particulars of employees in accordance with sub section (2A) of section 217 of the companies Act, 1956 read with companies (Particulars of Employees) Rule 1975. - NIL -

7. Foreign currency :

Foreign exchange outflow on account of import of Capital goods & Raw materials US \$ 550394 (equivalent to Rs.2,43,96,982/-) (P.Y. US \$ 607946.33 equivalent to Rs. 29758953.00 and DKK 3200 equivalent to Rs. 18944.00 respectively.

8. Contingent Liabilities

Claims against the company not acknowledged as debts

	Current year (Rs. in Lakhs)	Previous year (Rs. in Lakhs)
a) Claims on account of contractual obligations in connection with construction at site	179.56	179.56
b) Custom & Excise duty on prawn seed & related imported equipment	77.15	629.03

9. As no commission has been paid to the directors, the computation of net profit for the purpose of directors remuneration u/s 349 of the Companies Act 1956 is not enumerated. Fixed monthly remuneration has been paid to the Managing Director as per schedule XIII of the Companies Act, 1956.

Details :	Current Year Rs.	Previous Year Rs.
Salary	60,000-00	60,000-00
Perquisites	60,000-00	60,000-00

10. Deferred Tax:

	31st March 2004 Rs.	31st March 2003 Rs.
a. Deferred tax Assets Arising on Account of timing differences (expenditure under section 43 B of the income tax act 1961)	112614480	118620685
b. Deferred tax Liabilities Arising on Account of timing differences	66295745	24132926
c. Net Deferred Tax Assets	46318735	94487759

11. Segment reporting:

The company deals exclusively in aqua culture related activities. Therefore the accounting standard in respect of segment reporting is not applicable to the company as the operations of the company are on the basis of integrated system of shrimp culture.

12. Related party disclosures:

Information relating to related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given below:

<u>Name of the related party</u>	<u>Relationship</u>
Sri S. Prasad Reddy	Chairman & Managing Director
Key management personnel	
Sri S. Prasad Reddy	Chairman & Managing Director

Transaction with related parties during the year

Share application money received from Mrs. S. Devaki,      Wife of M.D.  
of Rs. 33,39,000/-

13. Earning per share (Before extraordinary items)      (Rs. 1.44)  
Earning per share (After extraordinary items)      Rs. 2.43

14. Foreign Exchange in flow on account of export of sales US \$ 3387359 (equivalent to Rs.155848044) (P.Y. US \$ 2676595.64 equivalent to Rs.128268631.00)
15. The balances of secured loans, sundry creditors and advances recoverable are subject to confirmation/ reconciliation.
16. Previous year figures have been regrouped, reclassified wherever necessary to conform to the current year's presentation.
17. Figures have been rounded off to the nearest rupee.

Signatures to Schedules A to R

As per our report of even date

For P.A. REDDY & CO.,  
Chartered Accountants

ON BEHALF OF THE BOARD

(Sd)  
P. ASHOK REDDY  
Proprietor

(Sd)  
S. PRASAD REDDY  
Chairman & Managing Director

(Sd)  
A. RAMKRISHNA REDDY  
Director

PLACE : VENKANNAPALEM  
DATE : 08-10-2004

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2004**

	Current Year (Rs. in Lakhs) <u>2003-2004</u>	Previous Year (Rs. in Lakhs) <u>2002-2003</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / Loss before tax and Extraordinary items	112.65	(435.50)
ADJUSTMENTS FOR :		
Depreciation	270.08	272.88
Misc. Expenses written off	7.54	8.01
Interest	1.81	0.41
Loss on sale of Assets	1.50	
Subsidy written off during the year	(0.61)	(0.61)
Foreign Exchange Fluctuation	(72.96)	(28.96)
	<u>207.36</u>	<u>251.73</u>
Operating Profit before working capital changes	320.31	(183.76)
Adjustment for :		
Trade and other receivables	(10.93)	0.37
Inventories	215.33	(194.23)
Trade payables	(599.08)	574.14
	<u>(394.68)</u>	<u>380.27</u>
Cash generated from operations	-74.67	196.51
Interest / Financial charges	(1.81)	(0.41)
Income Tax paid	(1.81)	(0.02)
	<u>(76.48)</u>	<u>196.08</u>
Cash flow before extraordinary items	(76.48)	196.08
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(76.48)	196.08
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
<u>Adjustment towards Fixed Assets</u>		
Deletion of amount from fixed assets block due to Excess provision made for previously due to foreign exchange fluctuation	69.08	
Sale Assets	1.45	2.50
Purchase of Assets	(19.63)	(117.50)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(25.58)	(115.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Borrowings	(285.10)	(431.55)
		<u>414.20</u>
Share application money received	292.97	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	7.87	(17.35)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(17.71)	63.73
Cash and Cash equivalents at the beginning of the year	83.52	19.80
Cash and cash equivalents at the close of the year	<u>65.81</u>	<u>83.53</u>
Net Increase / (Decrease) in cash and cash equivalents	<u>17.71</u>	<u>63.73</u>

for and on behalf of the Board

(Sd)

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTORfor P.A. REDDY & CO  
CHARTERED ACCOUNTANTS

(Sd)

P. ASHOK REDDY  
Proprietor

PLACE : VENKANNAPELEM

DATE : 08-10-2004

## Statement Pursuant to part IV of Schedule VI to Companies Act, 1956 :

## Balance Sheet Abstract and Company's General Business Profile

## I. Registration Details

Registration No.

0 1 1 2 7 6

State Code

0 1

Balance Sheet

3 1

0 3

2 0 0 4

Date

Date

Month

Year

## II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

## III. Position of Mobilisation and Deployment of Funds (Amount in Rupees in Thousands)

Total Liabilities

0 0 0 9 5 7 2 5 7

Total Assets

0 0 0 9 5 7 2 5 7

## Sources of Funds

Paid-Up Capital

0 0 0 2 2 0 1 2 5

Reserves &amp; Surplus

0 0 0 0 0 0 7 9 2

Secured Loans

0 0 0 7 0 7 0 4 4

Unsecured Loans

N I L

## Application of Funds

Net Fixed Assets

0 0 0 4 6 9 7 4 1

Investments

N I L

Net Current Assets

0 0 0 1 4 4 0 2 2

Mis. Expenditure

N I L

Accumulated Losses

0 0 0 4 8 0 2 1 2

## IV. Performance of Company (Amount in Rs. Thousands)

Turnover

0 0 0 1 7 5 0 1 3

Total Expenditure

0 0 0 1 5 2 5 1 3

+ -

+ -

Profit / Loss Before Tax

0 0 0 0 9 9 7 2 6

+ -

+ -

Profit / Loss After Tax

0 0 0 0 5 1 5 5 7

+ -

+ -

Earning Per Share in Rs.

0 0 0 1 . 4 4

Dividend rate %

N A

## V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.

(ITC Code)

0 0 0 0 3 0 6 1 3

Product

Description

P R A W N S

PLACE: VENKANNAPELEM

DATE : 08-10-2004

ON BEHALF OF THE BOARD

(Sd)

S. PRASAD REDDY  
MANAGING DIRECTOR

(Sd)

A. RAMA KRISHNA REDDY  
DIRECTOR

**SHARAT INDUSTRIES LIMITED**

Venkannapalem Village

T.P. Gudur Mandal

Nellore - 524 002.

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders desiring to attend the meeting may obtain additional Attendance Slips on request provided such request is received by the Company before 6th December, 2004.

I hereby record my presence at 14th Annual General Meeting of the Company on Monday the 6th December, 2004 at 10.00 A.M. at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore - 524 002.

Name(s) of the Shareholder(s) / Proxy (IN BLOCK LETTERS)

\_\_\_\_\_ Folio No. \_\_\_\_\_

Signature (s) of the Shareholder(s) or Proxy

NOTE: No duplicate Attendance Slip will be issued at the Meeting Hall.  
You are requested to bring your copy of the Annual Report to the Meeting.

✂ ----- ✂

**SHARAT INDUSTRIES LIMITED**

Venkannapalem Village

T.P. Gudur Mandal

Nellore - 524 002.

**PROXY**

I / We \_\_\_\_\_  
of \_\_\_\_\_  
INDUSTRIES LIMITED, Venkannapalem, T.P. Gudur Mandal,

\_\_\_\_\_ being a Member/Members of SHARAT INDUSTRIES LIMITED, Venkannapalem, T.P. Gudur Mandal, Nellore - 524 002, do hereby appoint

\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or failing him  
\_\_\_\_\_ as my / our proxy in my / our

absence to attend and vote for me / us, and on my / our behalf at the 14th Annual General Meeting of the Company, to be held on Monday the 6th December, 2004 at 10.00 A.M. at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore - 524 002.

behalf at the 14th Annual General Meeting of the Company, to be held on Monday the 6th December, 2004 at 10.00 A.M. at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore - 524 002.

Signed this \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_ 2004.

Signature  
(on Reverse)  
Revenue Stamp

NOTE: The proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. The Proxy need not be a member of the company.

PRINTED MATTER  
BOOK - POST

IF UNDELIVERED, PLEASE RETURN TO:



**SHARAT INDUSTRIES LIMITED**

Venkannapalem Village,  
T.P. Gudur Mandal,  
Nellore - 524 002.