

SHARAT INDUSTRIES LIMITED



26th Annual Report 2015-2016

BOARD OF DIRECTORS

- | | | |
|----|---------------------|--|
| 1. | Mr. S. Prasad Reddy | Chairman & Managing Director (CMD) |
| 2. | Mr. Veerraju Manda | Independent Director |
| 3. | Mr. M.B.R.Prasad | Independent Director |
| 4. | Mr. T. Valsaraj | Independent Director-up to 23.02.2016 |
| 5. | Mr. S. Sharat Reddy | Whole Time Director (ED) |
| 6. | Mrs. S. Charita | Woman Director |
| 7. | Mrs. Durga Thota | Woman Independent Director From 15.07.2016 |

BANKERS

THE FEDERAL BANK LIMITED

AUDITORS

M/s P.A. REDDY & CO.,
Chartered Accountants

INTERNAL AUDITORS

M/s A R Krishnan & Associates,
Chartered Accountants

REGISTERED OFFICE & FARM

VENKANNAPALEM VILLAGE,
T.P. Gudur Mandal,
Nellore District,
Andhra Pradesh.

CORPORATE OFFICE

Flat No. 4, Third Floor, Pallavi Apartments,
No.57/11, HDFC Bank Compound,
First Main Road. R.A. Puram,
CHENNAI – 600 028.
Web Site: sharatindustries.com

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SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)

Regd Office: Venkannapalem Village,T.P. Gudur Mandal, Nellore District, Andhra Pradesh

NOTICE

NOTICE is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of the Company will be held on **Friday, the 30th September, 2016**, at 10.00 a.m. at the Registered Office of the Company at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. S. Charita Reddy (DIN: 02929724), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of, M/s. P.A.REDDY & CO, Chartered Accountants, (Firm Registration No: 007368S) made by Shareholders of the Company pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013) as Statutory Auditors of the Company to hold office from the conclusion of the 24th Annual General Meeting for a period of three years till 27th Annual General Meeting be and is hereby ratified.

SPECIAL BUSINESS

4. **To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to Sections 149, 152, 164 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Durga Thota (DIN: 07138565), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who hold office up to the date of this Annual General Meeting, be and is hereby appointed as Women Independent Director of the Company and not liable to retire by rotation."

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPALEM
DATE: 13th August 2016

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the company. The instrument of Proxy in order to be effective should be deposited at it's Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September 2016 to 30th September 2016.(both days inclusive)
3. An explanatory statement pursuant to section 102(1) of the companies act, 2013 in respect of special business is annexed hereto.
4. Members are requested to immediately intimate any change in their address registered with the company.
5. The company's equity shares are listed with Bombay Stock Exchange Ltd.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable consolidation of their shareholdings in one folio.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
9. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. Voting through Electronic means :
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and clause 35B of the Listing Agreement, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the twenty fifth Annual General Meeting (AGM) by electronic means and the business may be transacted through e- voting services provided by CSDL.

- (ii) The voting period begins on 27-09-2016 at 9.00 a.m. and ends on 29-09-2016 at 5.00 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) of 26-09-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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) ♦ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label ♦ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	♦ Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
 - ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details they have to create 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.
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ 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.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM Nos.:4

The Board of Directors of the Company has appointed Mrs. Durga Thota (DIN: 07138565) as a Women Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. Mrs. Durga Thota is B.Com, LLB, LLM and an Associate Member of the Institute of Company secretaries of India and she is having good experience in secretarial matters and financial functions similar organization.

The Company has received from Mrs. Durga Thota (i) consent in writing to act as Women Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013

The Nomination and Remuneration Committee, at its meeting held on 15.07.2016 has considered the appointment of Mrs. Durga Thota as woman Independent Director and after considering her qualification and experience they have recommended to the Board for her appointment. The Board has considered the matter in detail and recommended the resolution for the approval of members.

In the opinion of the Board of Directors, Mrs. Durga Thota proposed to be appointed, as a Women Director, fulfill the conditions specified in the Companies Act, 2013 and the Rules made hereunder. A copy of the draft letter for the appointment of Durga Thota as a Women Independent Director is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

Except Mrs. Durga Thota, The appointee, None of the Directors, Key Managerial Personnel or their relatives, are interested or concerned in the Resolution.

The Board seeks approval of the members for the appointment of Mrs. Durga Thota as Women Independent Director of the Company for five consecutive years for a term upto 14.07.2021 pursuant to applicable provisions of the Act, Rules made there under and that she shall be liable to retire by rotation

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mrs. S. Charita Reddy
DIN	02930302
Date of Birth	03/06/1986
Date of Appointment	30/03/2015
Qualifications & Expertise	Bachelor of Business Administration Experience in Administrative and Finance Functions

Directorship / Shares held in other Public Companies	Nil
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil
Number of shares held in the Company	8000

DETAILS OF DIRECTORS SEEKING APPOINTMENT AS WOMEN DIRECTOR AT THE ANNUAL GENERAL MEETING

Particulars	Mrs. Durga Thota
DIN	07138565
Date of Birth	18/04/1966
Date of Appointment	15/07/2016
Qualifications & Expertise	B.Com, LLB, LLM and an Associate Member of the Institute of Company secretaries of India and she is having good experience in secretarial matters and financial functions similar organization
Directorship / Shares held in other Public Companies	Nil
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil
Number of shares held in the Company	Nil

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

{SD}

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

PLACE: VENKANNAPELEM
DATE: 13th August 2016

DIRECTORS' REPORT

Dear Members of Sharat Industries Limited,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2016

1. FINANCIAL HIGHLIGHTS

Particulars	Year ending 31.03.2016 (Rs.in lakhs)	Year ending 31.03.2015 (Rs.in lakhs)
Total Turnover	14,985.68	20,660.61
Profit before Depreciation and Interest	1,138.92	1,353.33
Less: Interest - finance cost	385.52	227.88
Depreciation	434.49	522.08
Profit Before Exceptional items and Tax	318.91	603.37
Exceptional items	-	211.56
Provision for Tax	109.57	135.28
Profit after Tax	209.34	256.53
Profit brought forward from the previous year	900.93	644.40
Profit carried over to Balance Sheet	1110.27	900.93

2. **SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS :** The turnover of the company for the year ended 31st March, 2016 was Rs.14,985.68 lakhs against Rs.20,660.61 lakhs in the previous year. During the year the company made sales of Rs. 14,040.48 lakhs against Rs.19,218.83 lakhs in the previous year, Job work receipts of Rs. 245.00 lakhs against Rs. 454.69 lakhs in the previous year and during the year the company has made an operating profit before tax of Rs.318.91 lakhs against Rs. 391.81 lakhs in the previous year.

During the year, the company's shrimp exports come down by 31.14% and domestic feeds sales grew up by 29% as compared to the previous financial year

Your directors are confident that the performance of the company will improve in the years to come.

3. **FUTURE OUTLOOK :** Our product is well received in the international market as well as domestic market. We are hopeful of achieving much better results in the years to come. The outlook and future plans of the Company have been mentioned in detail under the "Management Discussion and Analysis" section that forms part of this report.
4. **SHARE CAPITAL:** As on 31st March 2016, the issued, subscribed and paid up capital of your company stood at Rs.22,01,25,000/- comprising of 2,20,12,500 equity shares of Rs.10/-each.
5. **DIVIDEND:** In order to retain the profits to strengthen the capital base, no dividend has been recommended by the Board for the year under review.

6. RESERVES , IF ANY

The Company has not transferred any amount to reserves during the financial year.

7. LISTING OF SHARES :

The equity shares of the Company have been listed on the Bombay Stock Exchange at Mumbai. The company confirms that it has paid Annual Listing Fees due to the Bombay Stock Exchange for the year 2016-2017.

The Bombay Stock exchange suspended the trading of Company's Shares. Your Company could not establish connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the company is in the process to establish connectivity and dematerialize the shares.

8. 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.

9. MATERIAL CHANGES AND COMMITMENTS :

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The company has in placed adequate financial controls commensurate with size and operations.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :

The company has Internal Audit and the Audit Committee is in place to take care of the same.

12. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE II.

13. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES :

There are no Subsidiary/ Joint venture/ Associate companies

14. 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

15. STATUTORY AUDITORS

The Auditors M/s P.A. Reddy & Co., Chartered Accountants, retiring auditors of the

Company, were appointed as Statutory Auditors to hold office for a period of three years from conclusion of 24th Annual General meeting till the conclusion of 27th Annual General Meeting. The resolution relating to ratification of the appointment is put to ratification by members in the ensuing Annual General Meeting.

16. AUDITORS' REPORT, OBSERVATIONS AND REPLIES

The Auditors' Report was qualified and Notes to Accounts and some of the Auditors remarks in their report are self-explanatory and do not call for any further comments. However with specific reference to Para IV of the said report, items wise it is clarified as under

In respect of Post Retirement Benefits viz. Gratuity, as per Accounting Standard-15 issued by the Institute of Chartered Accountants of India, the Company should make provision on actuarial basis every year towards liability for future payment of gratuity. However during the year, provision for gratuity has been made on adhoc basis. Such creation of provision is not in accordance with the Accounting Standard referred above. In the absence of details we are unable to comment on the effect of such provision on the profits for the year, gratuity liability and net worth of the Company

The report of the Insurance Company on actuarial liability for gratuity is awaited. We shall make the requisite provision in the current year. We are taking steps to cover all the employees under ESI Scheme in the current year.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. S Charita Reddy, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

During the year, Mr. T. Valsaraj has resigned as an Independent Director.

18. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under section 149(7) of the Act that they meet with the criteria of their independence laid down in Section 149(6) of the Act

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 & 134 (5) of the Companies Act, 2013, shall state that-

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed 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 at the end of the financial year and of the profit and loss of the company for that period;
- 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; and
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. **MEETINGS:** A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 6 (Six) Board Meetings and 5 (Five) Audit Committee Meetings, 6 (Six) Share holders' grievances and Share transfer committee meetings and 1(One) nomination & remuneration committee meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

21. **VIGIL MECHANISM :**

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.sharatindustires.com.

22. **RISK MANAGEMENT:**

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the Company has laid down various steps to mitigate the identified risk.

23. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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	The suggestions made by consultants, regarding the energy systems are under implementation
(ii) the steps taken by the company for utilizing alternate sources of energy	PF Correction capacitors installed to stabilize power factor in the Electricity Supply. The management is taking steps to install solar lights wherever possible.
(iii) the capital investment on energy conservation equipment's	---

b) Technology absorption

N A

(i)	the efforts made towards technology absorption
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
	(a) the details of technology imported
	(b) the year of import;
	(c) whether the technology been fully absorbed
(iv)	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
	the expenditure incurred on Research and Development

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was Rs. 3,27,44,548/- and the total foreign exchange earned was Rs. 73,78,49,959/-.

24. **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.

25. **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-VII

26. **PARTICULARS OF EMPLOYEES :**

Statement showing the details of employees who are in receipt of remuneration of Rs. 5, 00,000/- or more per month are given in the annexure - IV forming part of this report.

27. **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 V)

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

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
				NIL					

DETAILS OF INVESTMENTS:-

SL No	Date of investment	Details of Investee	Amount	Purpose for which the loan is to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
				NIL			

DETAILS OF GUARANTEE / SECURITY PROVIDED :

SL No	Date of providing security / guarantee	Details of recipient	Amount	Purpose security/ guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Commission
				NIL			

29. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The particulars of every contract or 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 shall be disclosed in Form No. AOC-2 as ANNEXURE III.

30. **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by Sri. D.S. Venkata Narasimhan, Company secretaries is annexed with the report. With reference to the observations made, we state that The unintended delays in filings were due to the secretarial staff. The Company Secretary (CS) selected has not joined as the Registered Office is at a rural place. However, the company is making use of the practicing Company Secretary to ensure compliances. The company proposes to initiate the process for dematerialization during the year. (Annexure -I)

Comments in Director's Report:

The company is taking steps to comply with filing of Forms with MCA within time. The company is in the process of dematerializing the shares and getting the connectivity from NSDL and CSDL. The company has appointed Company Secretary in the month of July, 2016 as Compliance officer.

31. **INTERNAL AUDIT**

In terms of sec 138 of the companies' act 2013 and the relevant rules the company appointed M/s A R Krishnan & Associates, Chartered Accountants as the internal auditors of the company. The internal auditor directly reports to the audit committee.

32. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Directors comments on Management Discussion and Analysis, which forms a part of this report, are restricted to the areas which are relevant to the current scenario of the Company and outlook is annexed hereto ANNEXURE - VI

33. **NO SIGNIFICANT AND MATERIAL ORDERS WERE PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

34. **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (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.

35. **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.

A meeting of the Independent Directors was also held which reviewed the performance of Non-Independent Directors, Chairman and the quality, quantity and

timelines of flow of information between the Company management and Board.

36. **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.

37. **ACKNOWLEDGEMENTS:**

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by MPEDA, FEDERAL BANK LIMITED and other Government Agencies.

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 13th August 2016

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE-I

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016
[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,
SHARAT INDUSTRIES LIMITED
Venkannapalem Village - 524002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHARAT INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SHARAT INDUSTRIES LIMITED 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 the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHARAT INDUSTRIES LIMITED for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 6. 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;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; The company reported that the Bombay Stock Exchange (BSE) has exited from securities business and the company has been delisted by virtue of SEBI Notifications there on the company's shares have been placed are the dissemination board of NSE for trading purpose.
 8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 9. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 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;
- (vi) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- (vii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;

- (viii) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- (ix) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (x) Income Tax Act, 1961 and rules made there under;
- (xi) Service Tax Act, 1994 and rules made there under;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under section 118 (10) of the Companies Act, 2013.

I Further Report That

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors , Non - Executive Directors and Independent / Women Directors . The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings , agenda and detailed notes on agenda were sent in accordance with the secretarial standards 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.

Majority decision of the Board of Directors are carried through, while the dissenting members views are captured and recorded as part of the minutes.

I Further Report

1. There were delays in filing certain e Forms with MCA
2. The company reported that the Bombay Stock Exchange (BSE) has suspended the stock trading of the company for the period under review
3. The company's shares has not been dematerialized and no agreements have been entered into with NSDL and CDSL , consequently the Company has not appointed Share Transfer Agent.
4. The Company has NOT appointed whole Time Company Secretary for the period under review

OTHER SPECIFIC LAWS:

- i) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
- ii) Water (Prevention and Control of Pollution) Act, 1974;
- iii) Water (Prevention and Control of Pollution) Cess Act, 1977;
- iv) Environment (Protection) Act, 1986;
- v) Air (Prevention and Control of Pollution) Act, 1981;

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 no events have occurred which have a

major bearing on the company's affairs.

Place : Chennai
Date: 12th August, 2016

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

Note: This report is to be read with our letter of even date which is annexed as Annexure and form as an integral part of this report.

ANNEXURE

To
The Members
SHARAT INDUSTRIES LIMITED
Venkannapalem Village-524002

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

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

Place : Chennai
Date: 12th August, 2016

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

ANNEXURE-II
FORM NO. MGT 9

Extract of Annual Return as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. I. REGISTRATION & OTHER DETAILS:

i)	CIN:	L05005AP1990PLC011276					
	Registration Date [DD/MM/YYYY]	07/05/1990					
Name of the Company		Sharat Industries Limited					
ii)	Category of the Company	Company limited by shares					
iii)	Sub Category of the Company	Non-Govt Company					
iv)	Whether shares listed on recognized Stock Exchange(s)	Yes					
	If yes, details of stock exchanges where shares are listed	<table border="1"> <thead> <tr> <th>Sl No.</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bombay Stock Exchange</td> <td>BSE</td> </tr> </tbody> </table>	Sl No.	Stock Exchange Name	Code	1	Bombay Stock Exchange
Sl No.	Stock Exchange Name	Code					
1	Bombay Stock Exchange	BSE					
v)	AGM details-	30/09/2016 at 10:00 A.M. at the Registered Office of the Company Situated at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh.					
	Whether extension of AGM was granted – Yes / No. (If yes, provide reference number , date of approval letter and the period up to which extension granted)	No					
	If Annual General Meeting was not held, specify the reasons for not holding the same	Not Applicable					
Vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:						
Company Name		Sharat Industries Limited					
Address		Venkannapalem Village, T.P. Gudur Mandal,					
Town / City		Nellore District					
State		Andhra Pradesh					
Pin Code:		524 002					
Country Name :		INDIA					
Country Code		—					
Telephone (With STD Area Code Number)		0861-2389155					
Fax Number :		—					
Email Address		Sharatpremium@gmail.com					
Website		www.sharatindustries.com					

	Name of the Police Station having jurisdiction where the registered office is situated	T.P. Gudur Police Station T.P. Gudur, Nellore Dist, Andhra Pradesh,
	Address for correspondence, if different from address of registered office:	
Vii)	Name and Address of Registrar & Transfer Agents (RTA)	
	Registrar & Transfer Agents (RTA):-	The company right now has in house transfer facility and proposes to appoint RTA.
Address		
Town / City		
State		
Pin Code		
Telephone (With STD Area Code Number)		
Fax Number		
Email Address		

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Frozen Shrimp Exports	03061319	49.37%
2	Shrimp Feed Domestic	108010809	48.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	9393800	9393800	42.68	0	11549400	11549400	52.47	9.79
b) Central Govt	0	0	0	0	0	0	0	0	NIL
c) State Govt(s)									
d) Bodies Corp.	0	2155700	2155700	9.79	0	100	100	0	-9.79
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total	0	11549500	11549500	52.47	0	11549500	11549500	52.47	NIL
(A)(1):-									
(2) Foreign									
a) Individuals(Non-Resident Individuals/Foreign Individuals)	0	448000	448000	2.04		448000	448000	2.04	NIL
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0								
Total shareholding of Promoter (A)	0	11997500	11997500	54.51	0	11997500	11997500	54.51	NIL
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	70000	70000	0.32	0	70000	70000	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	70000	70000	0.32	0	70000	70000	0.32	0
									0
2. Non-Institutions									0
a) Bodies Corp.	0	707200	707200	3.21	0	407000	407000	1.85	-1.36
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	8217400	8217400	37.33	0	8217400	8217400	37.33	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1020400	1020400	4.63	0	1320600	1320600	5.99	1.36
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members									0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - DR	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	9945000	9945000	45.17		9945000	9945000	45.17	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)		10015000	10015000	45.49		10015000	10015000	45.49	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	22012500	22012500	100	0	22012500	22012500	100	0

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1)	S. Prasad Reddy	88,14,800	40.04	0	88,14,800	40.04	0	0
2)	S. Devaki	1,39,100	0.63	0	1,39,100	0.63	0	0
3)	S.Charita Reddy	8,000	0.04	0	8,000	0.04	0	0
4)	S. Sharat Reddy	8,000	0.04	0	21,63,600	9.83	0	0
5	Charita Industries Private Limited	10,70,066	4.86	0	-	-	0	0
6	Inko Fisheries Private Limited	10,85,534	4.93	0	-	-	0	0
7	Other share holders	8,74,400	3.97	0	8,72,000	3.97	0	0
	TOTAL	11999900	54.51	0	11997500	54.51	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11999900	54.51		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
	At the end of the year			11997500	54.50

D) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Name	Share holding at the beginning of the year 01.04.15		Date	INC/DEC	Reason	Cumulative shareholding during the year (01.4.15 to 31.3.16)	
		No of shares	%				No of shares	%
1.	Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
2.	Gundala Viswanatha Reddy	--	--	27.10.15	INC	Transfer	1,57,900	0.72
3.	Sistavarapu Ramakrishna Reddy	--	--	27.10.15	INC	Transfer	1,42,300	0.65
4.	Madhusudhan V Pulijal	1,17,300	0.53				1,17,300	0.53
5.	Venkataratnam Kottapalli	1,10,700	0.50				1,10,700	0.50
6.	Ajayya Gulati	1,02,100	0.46				1,02,100	0.46
7.	G. Prashanth Reddy	75,000	0.34				75,000	0.34
8.	G. Neel Reddy	75,000	0.34				75,000	0.34
9.	Ashok N Patel	74,700	0.34				74,700	0.34
10.	Suashish Finance Ltd	66,200	0.30				66,200	0.30

E) Shareholding of Directors and Key Managerial Personnel :

A. Key Managerial Personnel :

Sl.No	Name	Share holding at the beginning of the year 01.04.15		Increase	Reason	Cumulative shareholding during the year (01.4.15 to 31.3.16)	
1	S. Prasad Reddy	8814800	40.04%	-	Nil	8814800	40.04%
2	S. Sharat Reddy	8000	0.04%	-	Acquisition	2163600	9.83%

B. Directors :

Sl.No	Name	Share holding at the beginning of the year 01.04.15		Increase	Reason	Cumulative shareholding during the year (01.4.15 to 31.3.16)	
1	S. Charita Reddy	8000	0.04%	-	Nil	8000	0.04%

Details of Share holders holding more than 5% shares in the company:

		31st March 2015 Equity Shares		31st March 2016 Equity Shares	
1	S. Prasad Reddy	88,14,800 Shares	40.04%	88,14,800 Shares	40.04%
2	S. Sharat Reddy	8,000 Shares	0.04%	21,63,600 Shares	9.83%

V) INDEBTEDNESS :-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,51,01,453	5,29,97,910	-	29,80,99,363
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24,51,01,453	5,29,97,910	-	29,80,99,363
Change in Indebtedness during the financial year				
* Addition	9,77,35,181	-	-	9,77,35,181
* Reduction	50,47,757	-	-	50,47,757
Net Change	9,26,87,424	-	-	9,26,87,424
Indebtedness at the end of the financial year				
i) Principal Amount	33,77,88,877	5,29,97,910	-	39,07,86,787
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	33,77,88,877	5,29,97,910	-	39,07,86,787

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		S. Prasad Reddy MD	S. Sharat Reddy WD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	42,00,000	1,14,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)	72,00,000	42,00,000	1,14,00,000
	Ceiling as per the Act	84,00,000	84,00,000	168,00,000

B. REMUNERATION TO OTHER DIRECTORS : NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

PLACE: Venkannapalem
DATE : 05th September 2015

DIRECTOR

MANAGING DIRECTOR

ANNEXURE-III

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

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- 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

Sl.No	Name of the related party and nature of relationship	Nature of contract/agreement / transaction	Duration of the contract	Salient terms of the contract	Date of approval by the Board	Amount paid as advances, if any
01	S. Prasad Reddy, Managing Director	Lease of Ponds	2 Years	The lease rent paid by the company shall not exceed the similar facilities in the location	05/09/2015	Nil
02	S. Devaki, Wife of Managing Director	Lease of office premises	2 Years	The lease rent paid by the company shall not exceed the similar facilities in the location	05/09/2015	Nil

FOR AND ON BEHALF OF THE BOARD

**PLACE: Venkannapalem
DATE : 13th August 2016**

**M.VEERRAJU
DIRECTOR
DIN: 03164917**

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

ANNEXURE - IV

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

None of the Employees are drawing salary as specified in the Provision of the Companies Act, 2013.

ANNEXURE - V

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>Name of the Directors</th> <th>Ratio to median remuneration</th> </tr> </thead> <tbody> <tr> <td>S PRASAD REDDY</td> <td>64:1</td> </tr> <tr> <td>S SHARAT REDDY</td> <td>37:1</td> </tr> </tbody> </table>	Name of the Directors	Ratio to median remuneration	S PRASAD REDDY	64:1	S SHARAT REDDY	37:1
Name of the Directors	Ratio to median remuneration						
S PRASAD REDDY	64:1						
S SHARAT REDDY	37:1						
(ii)	The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2015-16 are as under						
	<table border="1"> <thead> <tr> <th>Name of the Directors</th> <th>% increase in remuneration in the financial year</th> </tr> </thead> <tbody> <tr> <td>S PRASAD REDDY</td> <td>118%</td> </tr> <tr> <td>S SHARAT REDDY</td> <td>-</td> </tr> </tbody> </table>	Name of the Directors	% increase in remuneration in the financial year	S PRASAD REDDY	118%	S SHARAT REDDY	-
Name of the Directors	% increase in remuneration in the financial year						
S PRASAD REDDY	118%						
S SHARAT REDDY	-						
(iii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15						
	There was an increase of 8% in the median remuneration of employees in the financial year ended 31.03.2016						
(iv)	Number of permanent employees on the rolls of the company: 90						
(v)	Explanation on the relationship between average increase in remuneration and the company performance						
	The increase in the remuneration of non-executive / junior Executive is mainly relatable to the increase in cost of living index, performance of individual employees. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organisation performance, apart from an individual's performance.						
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company						
	<table border="1"> <tr> <td>Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Lakhs)</td> <td>114</td> </tr> </table>	Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Lakhs)	114				
Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Lakhs)	114						

Revenue (Rs. In lakhs)	14985.67
Remuneration of KMPs (as a % of revenue)	0.76
Profit before Tax (PBT)	318.91
Remuneration of KMP (as a % of PBT)	35.75

(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Shares are not traded

(viii) average percentile increase 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 circumstances for increase in the managerial remuneration;

The increase made in average salaries of employees other than the managerial personnel in the current financial year compared to the last financial year was 8%. The total managerial remuneration for the Financial Year 2015-16 was ₹ 114.00 lakhs as against ₹ 75.00 lakhs during the previous year.

(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

S.no.	Particulars	Key Managerial Personnel	
		S.Prasad Reddy	S.Sharat Reddy
		MD	WTD
	Remuneration in FY 2016 (Rs. In Lakhs)	72.00	42.00
	Revenue (Rs. In Lakhs)	14985.67	
	Remuneration of KMPs (as a % of revenue)	0.48	0.28
	Profit before Tax (PBT) (Rs. In Lakhs)	318.91	
	Remuneration of KMP (as a % of PBT)	22.58	13.17

(x) Key parameter for any variable component of remuneration availed by the Directors

Not Applicable

(xi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year

Not Applicable

(xii) Affirmation that the remuneration is as per the remuneration policy of the company

Yes

ANNEXURE-VI TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY AND INDUSTRIAL SCENARIO

The fiscal year 2015-16 the Indian economy changed its position as one of the fastest growing economies due to measures taken to control inflation, reversal of monetary policy, decline in price of oil and other commodities as well as initial set of reforms by the present government. The GDP growth was estimated at 7.9% in the year 2015-16 as compared to 6.6% in the previous year.

Against this backdrop, Your company's performance come down by about 26.94% in 2015-16, the growth of 44.42% achieved in the previous year, as compared to respective previous years.

Your company is carrying on the business of in Integrated Aqua Culture.

STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS

The strength of your Company stems from the following factors:

- ◆ Above two decades hands on experience of the promoters group
- ◆ One of the largest company with vast experience
- ◆ Export oriented company with good demand

The Company's weakness mainly arises from:

- a. International and Domestic economic scenario, showing a downward trend
- b. Competition from the unorganized players who are resorting to unviable low pricing strategies
- c. More dependence on the demand in International Market.

However, great opportunities are foreseen in view of:

- a. thrust on export markets
- b. Maintenance of quality product

The threats to be overcome are:

- a. Business competition from unorganized sectors
- b. Competition from larger business houses in the industry
- c. Natural calamities and virus attack on Shrimp Farms.

**PERFORMANCE ANALYSIS
HIGHLIGHTS AS COMPARED TO PREVIOUS YEAR**

PRODUCT-WISE PERFORMANCE :		Amount in Rs.	
S.NO	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Shrimp Export	693176736	1006683345
2	Shrimp Local	5506954	3809643
3	Sale of Feed	684034856	740471515
4	Sale of Seed	17888160	90919030
5	Sale of Chemicals	34,41,750	-
	Total	1,40,40,48,456	1,92,18,83,533

EXPORTS:

The Exports has decreased by 31% during the year compared to previous year due to fluctuations in the international market.

CAPITAL EXPENDITURE AND EXPANSION PLANS :

Additions to the Fixed Assets amounting to Rs.6, 71, 66,890/- .

OUTLOOK

The product is well received in the international market as well as domestic market. We are hopeful of achieving much better results in the years to come.

INTERNAL CONTROLS

The company is having proper internal controls to maintain the quality of the products and eliminate the wastages.

ENVIRONMENT REPORT

Environmental protection, pollution control measures and social welfare activities are forming part of the company's operations.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Section describing the Company's expectation and prediction may be "forward looking statements" within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Global and Indian demand-supply conditions, input and output costs, environmental conditions and natural calamities, government policies, litigations and labour problems etc.

**ANNEXURE VII
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:

i. COMPANY'S PHILOSOPHY:

The Company firmly believes that Corporate Governance is an on-going process, endeavours to achieve the highest levels of transparency, integrity and equity in all its operations and considers the same as an essential component for a successful enterprise. Sound corporate governance no doubt, provides value addition and compliance of standards, improves the organizational skills to achieve better long term results and disclosures to stakeholders, ensures adequate information to assess the performance of the Company.

ii. BOARD OF DIRECTORS

a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:

The present strength of the Board of Directors is Six (6) and its composition is as follows:

Managing / Promoter Directors	3
Non-Executive Independent Directors	3 (Out of Three, Mr. T. Valsaraj has resigned on 23.02.2016)

Non-Executive 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

b. BOARD MEETINGS AND RELATED INFORMATION :

Six meetings of the Board of Directors were held during the year viz., on 30th April 2015, 31st July 2015, 24th August 2015, 5th September, 2015, 31st October 2015 and 13th February 2016.

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

Directors	No of Board meetings attended during the year	Last AGM(held on 30.09.2015) Attended	Directorships Held in Other Companies	No of other Committees (other than this Company) in which Chairman / Members
Executive Promoter Directors(MD & ED)				
Mr. S. Prasad Reddy	6	Yes	Nil	NIL
Mr. S. Sharat Reddy	6	Yes	Nil	NIL
Mrs. S. Charita Reddy	2	N/A	Nil	NIL
Non-Executive Independent Directors				
Mr. Veerraju Manda	6	Yes	NIL	NIL
Mr. M.B.R. Prasad	6	No	2	NIL
Mr. T. Valsaraj	3	No	6	NIL

1. AUDIT COMMITTEE

The role and the authority including the powers of this committee are in line with the requirements of the Companies Act and the listing agreement executed with the stock exchanges. The composition of the committee comprises the following Directors as members:

- (a) Mr. Veerraju Manda - Chairman
- (b) Mr. M.B.R Prasad
- (c) Mr. T.Valsaraj

The terms of reference of the Committee broadly comprise:

- (a) Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible and more particularly :
 - a. To select and establish accounting policies and changes if any in accounting policies and procedures
 - b. To Answer Qualifications if any given in the draft auditors' report.
 - c. On the major entries made in the accounts based on the exercise of judgment made by the management.
 - d. The Going Concern concept assumption.
 - e. Compliance with the accounting standards as prescribed by ICAI
 - f. Compliance with requirements of stock exchanges and legal requirements concerning the financial statements
 - g. To review management discussion and analysis of financial condition and results of operation.
 - h. To review statement of significant related party disclosures submitted by the management.
 - i. To evaluate internal financial controls and risk management systems.

- (b) Recommending the appointments and removal of external auditor, fixation of audit fee and also approval for payment for other services.
- (c) Periodic review of the adequacy of the internal audit , internal controls and discussions with the external auditors thereon. Depending upon the necessity the senior personnel from the concerned department are called to the meeting.

During the financial year 2015 - 16, five meetings of the Audit Committee were held viz., on 30th April 2015, 31st July 2015, 5th September 2015, 31st October 2015 and 13th February 2016 and attendance of the members of the audit Committee at these meetings is as follows :

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Veerraju Manda	5	5
Mr. M.B.R. Prasad	5	5
Mr. T. Valsaraj	5	3

2. REMUNERATION COMMITTEE/NOMINATION AND REMUNERATION COMMITTEE :

The Remuneration Committee first reviews and approves the remuneration payable to the Managerial personnel before the same is considered by the Board/Shareholders. The Remuneration Committee takes into account various factors like the financial performance of the company, performance of the Managing Director/Wholetime Directors, their existing remuneration, their contribution to the company etc.,. The composition of the committee comprises the following Directors as members

- (a) Mr. T. Valsaraj - Chairman
- (b) Mr. M.B.R Prasad
- (c) Mr. Veerraju Manda

During the financial year 2015-16, (1) One Remuneration Committee/ Nomination and Remuneration committee meetings were held on 05.09.2015 and attendance of the members of the Remuneration Committee at the meeting is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. T. Valsaraj	1	1
Mr. M.B.R. Prasad	1	1
Mr. Veerraju Manda	1	1

During the year the name of the Remuneration Committee is re-named as Nomination and Remuneration Committee.

Remuneration Policy:

The remuneration Policy is that the remuneration recommended will have bearing on the previous remuneration of the managerial personnel, their individual contribution to the Company for its growth etc. and in fixing such remuneration, the Remuneration Committee will be guided by the provisions of the Schedule V to the Companies Act, 2013.

Details of remuneration paid to directors during the year under review are as under:

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	72,00,000/-	--	--	72,00,000/-
Mr. S. Sharat Reddy	42,00,000/-	--	--	42,00,000/-

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

The company is not paying any Sitting Fee to the Non-Executive Directors.

3. SHARE TRANSFER-CUM-INVESTORS' GRIEVANCE COMMITTEE :

The composition of the committee comprises the following Directors as members:

- (a) Mr. M.B.R Prasad - Chairman
- (b) Mr. T. Valsaraj
- (c) Mr. Veerraju Manda

During the financial year ended on 31st March, 2016 the Share Transfer-cum-Investors' Grievance Committee met 6 times on 29.04.2015, 05.08.2015, 27.10.2015, 20.12.2015, 20.01.2016 and 24.03.2016.

The attendance of the members of the Share Transfer-cum-Investors' Grievance Committee at these meetings is as follows

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. M.B.R. Prasad	6	6
Mr. T. Valsaraj	6	5
Mr. Veerraju Manda	6	6

During the year the name of the Share Transfer-cum-investors' Grievance Committee is renamed as Shareholders' Relationship Committee which looks after both the shareholders relations and Share Transfers.

During the year the company has received 11 requisitions for transfer of shares and 3 requisitions for Change of Address and the company has effected all o them and there is no pending complaint at the end of the year

IV. SHARE HOLDER INFORMATION

General Body Meeting

The details of the last three Annual General meetings held are as follows:

YEAR	DATE	TIME	VENUE
2013	30.09.2013	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

2014	30.09.2014	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.
2015	30.09.2015	10.00 A.M	VENKANNAPALEM VILLAGE, T.P.GUDUR MANDAL, NELLORE DIST, A.P.

No resolution was put through postal ballot during last year.

Special Resolutions passed in the previous 3 Annual General Meetings:

1. 2012-13: YES

Pursuant to Section 198,269, 309,310 and 311 read with Schedule XIII, Mr. S. Prasad Reddy be and is hereby re- appointed as Managing Director of the Company for a period of three years w.e.f: 01.04.2013

2. 2013-14 : YES

Pursuant to Section 196, 203 read with Schedule V, appointment of Mr. S. Sharat Reddy as a whole time director for a period of three years w.e.f :01.04.2014

3. 2014-15 : YES

Pursuant to Section 196, 197 read with Schedule V, re-appointment of Mr. S. Prasad Reddy as a Managing director for a period of three years w.e.f :01.04.2015

Pursuant to Section 180 of the Companies Act, 2013, total amount up to which monies may be borrowed by the Directors shall not exceed the sum of Rs.150 Crores.

Whether any Special Resolution passed last year through postal ballot- details of voting pattern: **No Special Resolution was passed through Postal Ballot last year.**

Whether any Special Resolution is proposed to be conducted through postal ballot : **No**

Procedure for postal Ballot : **Not Applicable**

V. DISCLOSURES

- a. The company has followed the accounting standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- b. Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March 2016.
- c. The Board is of the bonafide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors, or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- d. During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- e. 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.

- f. The company has generally complied with the mandatory disclosure requirements under Clause 49 of the Listing Agreement executed with the stock exchanges and SEBI LODR Regulations 2015.

Means of communication

- a) The company has been sending annual reports, notices and other communications to each shareholder.
- b) The quarterly reports in the prescribed format were published in the News Papers, Financial Express- English and Andhra Jyothi - Telugu as required by the Listing Agreements with the Bombay Stock Exchange Ltd and Listing Regulations, 2015.
- c) There were no presentations made to institutional investors or analysts, during the year.

GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting
Date & Time : Fryday, 30th September 2016, 10.00. am
Venue : Venkannapalem Village, T.P.Gudur Mandal, Nellore Dist, A.P.
- b. Financial Year Calendar (2016-17) tentative : 1st April to 31st March of every year
Financial reporting for the quarter ending 30th June 2016 : 14th August 2016
Financial reporting for the quarter ending 30th September, 2016 : 14th November 2016
Financial reporting for the quarter ending 31st December, 2016 : 14th February 2017
Financial reporting for the quarter ending 31st March, 2017 Audited : 30th May 2017
- c. Date of Book Closure : 27.09.2016 to 30.09.2016
- d. Listing of Stock Exchanges : Bombay Stock Exchange Ltd. The annual listing fees for the period 1st April 2016 to 31st March 2017 has been paid to Stock Exchange.
- d. Depository cum Share Transfer Registrars : Not appointed and at present all share transfer work being done in house by the company. The
- f. Share Transfer System : All the shares are in physical mode only. Share Transfer in physical form is normally effected with in a period of 15

days of receipt of the documents, if found in order. The share transfer committee approves all share transfers. Share certificates are dispatched by registered post/ speed post.

- g. Shareholding Pattern as on March 31, 2015

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Promoter and Promoter Group:			
a. Bodies Corporate	1	100	-
b. Directors & their relatives	383	11997400	54.50
Public Share Holding:			
I. Institutions:			
Financial Institutions/Banks	5	70000	0.32
II. Non Institutions:			
Bodies Corporate	102	407000	1.85
Individuals	36570	9538000	43.33
Total	37061	22012500	100.00

All the shares are held in Physical form only

- h. Distribution of Shareholding as on March 31, 2016

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
0 - 500	34130	92.09	4738700	21.53
501-1000	1668	4.50	1367600	6.21
1001-2000	686	1.85	1022400	4.64
2001-3000	297	0.80	742600	3.37
3001-4000	91	0.25	332300	1.51
4001-5000	67	0.18	317300	1.44
5001-10000	72	0.19	516200	2.35
10001-above	50	0.14	12975400	58.95
Total	37061	100.00	22012500	100.00

- i. Dematerialization of shares and liquidity : The Company's shares are yet to be dematerialized.
- j. International Securities Identification Number (ISIN) : Nil
- k. Plant Locations : Farm : Venkannapalem village T.P. Gudur Mandal, Nellore District, A.P.
Hatchery : Venkannapalem village T.P. Gudur Mandal, Nellore District, A.P.

FeedMill : Venkannapalem village
T.P. Gudur Mandal,
Nellore District, A.P

Processing : Mahalakshampuram,
Plant T.P. Gudur Mandal,
Nellore District, A.P.

- l. Products : Prawn Culture, processing and Feed
m. Address for correspondence : Shareholders correspondence should be addressed to Our Register office situated at VENKANNAPALEM VILLAGE, T.P. GUDUR MANDAL, NELLORE-524002.

REPORT ON CORPORATE GOVERNANCE

To
The Members,
SHARAT INDUSTRIES LIMITED,
Venkannapalem Village-524002

We have examined the compliance of conditions of Corporate Governance by M/s. Sharat Industries Limited for the year ended March 31, 2016, as stipulated in Schedule V (Annual Report) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure 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 to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date: 12th August, 2016

D.S. VENKATANARASIMHAN
Company Secretary in Practice
Membership No.F5625
COP No: 5276

Declaration - Code of Conduct

All Board members and senior management personnel have, for the financial year ended on 31st March, 2016, 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.

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPALEM
DATE: 13th August 2016

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

To
The Board of Directors'
Sharat Industries Limited.

Dear Sirs,

Sub: Managing Director/Chief Executive Officer (CEO) Certification

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges:

We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:

- (a) (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, in 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: 13.08.2016

S. PRASAD REDDY
CHAIRMAN & 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: VENKANNAPELEM
DATE: 13.08.2016

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITORS' REPORT

To The Members of

SHARAT INDUSTRIES LIMITED

I. Report on the Financial Statements

We have audited the accompanying financial statements of SHARAT INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section

134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

IV. Basis for Qualified Opinion

In respect of Post Retirement Benefits viz. Gratuity, as per Accounting Standard-15 issued by the Institute of Chartered Accountants of India, the Company should make provision on actuarial basis every year towards liability for future payment of gratuity.

However during the year, provision for gratuity has been made on adhoc basis. Such creation of provision is not in accordance with the Accounting Standard referred above. In the absence of details we are unable to comment on the effect of such provision on the profits for the year, gratuity liability and net worth of the Company.

In respect of a few creditors and advances recoverable, there are neither confirmations of the year-end balances nor reconciliation of the accounts. In the absence of such confirmations / reconciliations, we are unable to comment on the effect of such accounts on the profit of the Company for the year, year-end balances of trade creditors and advances recoverable and on the net worth of the Company.

V. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its Profit and its cash flows for the year ended on that date.

V. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls referred to our separate report in "Annexure B"; and

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 34 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for P.A. REDDY & Co.,
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.16

ANNEXURE 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 fixed assets.
 - (b) All the fixed assets have been physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (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.

b. There are no material discrepancies noticed on physical verification between the physical stock and the book records.

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) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) **In respect of loans, investments, guarantees and security given**

The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

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.

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.

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

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax, 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, 2016 for a period of more than six months from the date they became payable.

b) There are no dues of Provident Fund, Income Tax, VAT, Service Tax, as at March 31, 2016, which have not been deposited on account of a dispute except the following

Name of the Statute	Financial year	Amount (. in Lakhs)	Forum where the Dispute is pending
Customs Act, 1962	2004-2005	76.31	In the High Court of Judicature of Andhra Pradesh at Hyderabad.
Service Tax	2015-2016	31.50	In the High Court of Judicature of Andhra Pradesh at Hyderabad.

viii) **In respect of repayment of dues to banks, financial institutions and debentures holders:**

The Company has not issued any debentures. In respect of dues to banks and financial institutions, the Company is generally regular in adhering to the terms of repayment.

ix) **In respect of moneys raised by way of initial public offer:**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans received during the year have been applied for the purposes for which they were drawn.

x) **In respect of frauds:**

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.

xi) **In respect of managerial remuneration:**

The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) **In respect of Nidhi Company:**

The Company is not a Nidhi Company. Accordingly, 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 accounting standards.

xiv) **In respect of preferential allotment or private placement of shares or fully or partly convertible debentures:**

The Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.

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 registration under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for P.A. REDDY & Co.,
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.2016

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF
SHARAT INDUSTRIES LIMITED**

I. 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, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

II. 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 ("ICAI"). 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.

III. Auditor's 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 were 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.

IV. Meaning of Internal 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

V. 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.

VI. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 P.A. REDDY & Co.,
Chartered Accountants
FRN : 007368S

P. ASHOK REDDY
Partner
M. No. : 023202

Place: Nellore
Date: 30.05.2016

SHARAT INDUSTRIES LIMITED				
BALANCE SHEET AS AT MARCH 31, 2016				
	Particulars	Note No.	As At	As At
			March 31, 2016	March 31, 2015
I	EQUITY AND LIABILITIES		₹	₹
	(1) Shareholders' Funds			
	(a) Share Capital	2	22,01,25,000	22,01,25,000
	(b) Reserves and Surplus	3	25,22,88,228	23,13,54,391
			47,24,13,228	45,14,79,391
	(2) Non-Current Liabilities			
	(a) Long Term Borrowings	4	9,66,64,008	9,28,76,291
	(b) Deferred Tax Liability (Net)	5	2,37,83,270	1,33,15,541
	(c) Long-term Provisions	6	23,04,553	22,64,084
			12,27,51,831	10,84,55,916
	(3) Current Liabilities			
	(a) Short Term Borrowings	7	28,85,84,341	20,01,75,316
	(b) Trade Payables	8	12,36,42,270	22,87,80,489
	(c) Other Current Liabilities	9	64,11,727	65,33,005
	(d) Short-Term Provisions	10	1,74,90,599	1,24,98,055
			43,61,28,937	44,79,86,865
	TOTAL		1,03,12,93,996	1,00,79,22,172
II	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	36,04,45,882	33,71,48,447
	(ii) Intangible Assets	12	4,20,538	-
	(iii) Capital Work in Progress	13	-	2,71,695
	(b) Long Term Loans and Advances		6,37,58,827	4,83,85,177
			42,46,25,247	38,58,05,319
	(2) Current Assets			
	(a) Inventories	14	36,09,52,029	36,50,92,570
	(b) Trade Receivables	15	17,35,28,170	14,19,29,065
	(c) Cash and Cash Equivalents	16	4,89,90,101	8,82,51,222
	(d) Short Term Loans and Advances	17	2,31,98,449	2,68,43,996
			60,66,68,749	62,21,16,853
	TOTAL		1,03,12,93,996	1,00,79,22,172
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 38		

The accompanying notes are integral part of the financial statements.

As per our Report of even date

for P. A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

S. Prasad Reddy
Managing Director
DIN : 00069094

Veerraju Manda
Director
DIN : 03164917

P. ASHOK REDDY
Partner
M. No: 023202

V. C. Rama Krishna Kumar
Chief Financial Officer

Place : Nellore
Date : 30-05-2016

SHARAT INDUSTRIES LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016				
	Particulars	Note No.	For the year ended	For the year ended
			March 31, 2016	March 31, 2015
I	Revenue from Operations	18	₹ 1,47,79,01,462	₹ 2,02,50,09,444
II	Other Income	19	2,06,66,193	4,10,51,838
III	Total Revenue (I+II)		1,49,85,67,654	2,06,60,61,282
IV	Expenses			
	Cost of Materials Consumed	20	95,05,64,457	1,69,23,45,801
	Changes in Inventory	21	3,81,22,377	(21,74,58,773)
	Employee Benefits Expense	22	10,79,26,915	6,61,93,033
	Finance Costs	23	3,85,52,421	2,27,87,599
	Depreciation and Amortisation Expense	11	4,34,48,915	5,22,08,042
	Other Expenses	24	28,80,61,376	38,96,48,234
	Total Expenses		1,46,66,76,461	2,00,57,23,937
V	Profit Before Exceptional items and Tax (III-IV)		3,18,91,193	6,03,37,345
	Exceptional Items		-	2,11,56,133
V	Profit Before Tax (III-IV)		3,18,91,193	3,91,81,212
VI	Tax Expense			
	(1) Current Tax		65,51,617	79,09,850
	(2) Mat Credit Entitlement		(60,61,990)	(79,09,850)
	(3) Deferred Tax		1,04,67,729	1,35,27,707
VII	Profit / (Loss) for the year (V-VI)		2,09,33,837	2,56,53,505
	Earnings per Equity Share	25		
	Basic & Diluted		0.95	1.17
	Face Value of the Share		10.00	10.00
	Significant Accounting Policies & Notes forming part of the financial statements	1 to 38		

The accompanying notes are integral part of the financial statements.

As per our Report of even date

for P. A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

S. Prasad Reddy
Managing Director
DIN : 00069094

Veerraju Manda
Director
DIN : 03164917

P. ASHOK REDDY
Partner
M. No: 023202

V. C. Rama Krishna Kumar
Chief Financial Officer

Place : Nellore
Date : 30-05-2016

SHARAT INDUSTRIES LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016				
S.No	Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		₹	₹
	Net Profit / (Loss) Before Extraordinary Items and Tax		3,18,91,193	6,03,37,345
	Adjustments for:			
	Depreciation		4,34,48,915	5,22,08,042
	Finance Costs		3,85,52,421	2,27,87,599
	Gratuity		40,469	22,64,084
	Wealth Tax		-	83,620
	Profit on Sale of Vehicle		(20,00,000)	(70,000)
	Interest Income		(27,08,386)	(17,95,979)
	Creditors no Longer Payable		(38,17,856)	(2,58,94,740)
	Bad Debts		59,99,458	43,20,704
	Operating Profit/(Loss) Before Working Capital Changes		11,14,06,214	11,42,40,675
	Changes in Working Capital:			
	Adjustment for (Increase) / Decrease in Operating Assets			
	Inventories		41,40,541	(29,58,90,824)
	Trade Receivables		(3,75,98,563)	7,39,46,132
	Short term Loans and Advances		97,07,537	1,17,48,407
	Adjustment for Increase / (Decrease) in Operating Liabilities			
	Trade Payables		(10,13,20,363)	9,64,81,872
	Other Current Liabilities		(6,11,958)	43,103
	Long Term Provisions		-	-
	Short Term Provisions		64,34,397	15,94,583
	Cash generated from operations		(78,42,195)	21,63,948
	Cash outflow due to Exceptional Items		-	(1,58,72,000)
	Cash generated from operations		(78,42,195)	(1,37,08,052)
	Net Income Tax (Paid)/Refund		(79,93,470)	(80,38,685)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A		(1,58,35,665)	(2,17,46,737)
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Capital Expenditure on Fixed Assets		(6,71,66,890)	(10,49,62,704)
	Decrease / (Increase) in Capital Work in Progress		2,71,695	3,49,65,698
	Proceeds from Sale of Fixed Assets		20,00,000	70,000
	Long Term Loans and Advances		(1,53,73,650)	(87,11,574)
	Interest Received		27,08,386	17,95,979
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B		(7,75,60,459)	(7,68,42,602)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds / (Repayment) from / of Long Term Borrowings		37,87,717	3,66,60,612
	Current Maturities of Long term Debt		4,90,680	47,84,699
	Other Short term Borrowings		8,84,09,025	14,54,88,120
	Finance Costs		(3,85,52,421)	(2,27,87,599)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES - C		5,41,35,002	16,41,45,832
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		(3,92,61,122)	6,55,56,494
	Cash and Cash Equivalents at the beginning of the year		8,82,51,222	2,26,94,728
	Cash and Cash Equivalents at the end of the year		4,89,90,101	8,82,51,222
	Reconciliation of Cash and Cash Equivalents with the Balance sheet			
	Cash and Cash Equivalents as per Balance Sheet (Refer Note No.13)			
	Cash and Cash Equivalents at the end of the year			
	Comprises:			
	Cash on hand		3,35,687	14,69,354
	Balance with Banks			
	- in Current Accounts		3,08,62,250	7,43,28,901
	- in Deposit Accounts		1,77,92,164	1,24,52,967
			4,89,90,101	8,82,51,222
As Per our Report of even date				
for P. A. REDDY & Co., Chartered Accountants FRN: 007368S		On behalf of the Board		
P. ASHOK REDDY Partner M. No: 023202		S. Prasad Reddy Managing Director DIN : 00069094	Veerraju Manda Director DIN : 03164917	
Place : Nellore Date : 30-05-2016		V. C. Rama Krishna Kumar Chief Financial Officer		

Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES:**a. Accounting Convention:**

The financial statements have been prepared under the historic cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 2013.

b. Revenue Recognition:

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. In the case of Export Benefits, DEPB License and Duty Draw Back are recognized only on realization basis.

c. Fixed Assets and Depreciation:

i. Fixed Assets are valued at cost less accumulated depreciation. Cost includes freight, taxes and duties and other directly attributable costs of bringing the asset to its working condition for its intended use, net of CENVAT and VAT, wherever applicable.

ii. Borrowing costs are capitalized as part of qualifying fixed assets.

iii. Depreciation is provided on Fixed Assets at Straight Line Method based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013, on pro rata basis.

d. Foreign Currency Transactions:

i) Transactions 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 Statement of Profit and Loss under the head foreign exchange fluctuation account.

e. Current and Deferred Tax :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws prevailing as on the Balance Sheet date. Deferred tax asset is created in respect of unabsorbed losses, only if there is virtual certainty of future profits to absorb the same.

f. Contingent Liabilities:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that

there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

g. Inventories:

Finished goods of Shrimp are valued at Net Realizable Value, Feed and Raw Materials are valued at Cost which includes material cost and other incidental costs incurred in bringing the stock to the site. Stores, Spares and Consumables are charged to Statement of Profit and Loss in the year of purchase.

h. Retirement Benefits:

Contribution to defined contribution schemes such as provident fund and family pension funds are charged to Statement of Profit and Loss as incurred. In respect of gratuity, provision is made in the accounts for the liability for future payment of gratuity.

i. Impairment of Assets:

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- the provision for impairment loss, if any, required; or
- the reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined;

- in the case of an individual asset, at higher of the net selling price and the value in use;
- in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

SHARAT INDUSTRIES LIMITED			
Notes forming part of the Financial Statements			
Particulars	Note No.	As At	As At
		March 31, 2016	March 31, 2015
		₹	₹
Share Capital	2		
Authorised :			
30000000 (30000000) Equity Shares of Rs. 10/- each		30,00,00,000	30,00,00,000
2000000 (2000000) Redeemable Preference Shares of Rs. 100/- each		20,00,00,000	20,00,00,000
		50,00,00,000	50,00,00,000
Issued, Subscribed and Paid up:			
22012500 (22012500) Equity Shares of Rs. 10/- each fully paid up		22,01,25,000	22,01,25,000
		22,01,25,000	22,01,25,000
(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:			
Particulars	Note No.	As At March 31, 2016	As At March 31, 2015
Equity Shares:			
Number of Shares at the beginning of the year		22012500	22012500
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
Number of Shares at the end of the year		22012500	22012500
(c) Details of Shareholders holding more than 5% shares :			
Name of Share holder	Note No.	As At March 31, 2016 No. of Shares - % held	As At March 31, 2015 No. of Shares - % held
S. Prasad Reddy		8814800 - 40.04%	8814800 - 40.04%
S. Sharat Reddy		2163600 - 09.83%	Nil
Reserves and Surplus	3		
Capital Reserve			
Opening Balance		14,08,32,436	14,08,32,436
Add: Additions during the year		-	-
Closing Balance	A	14,08,32,436	14,08,32,436
Capital Subsidy			
Opening Balance		4,28,315	4,28,315
Closing Balance	B	4,28,315	4,28,315
Surplus/(Deficit) in Statement of Profit and Loss			
Opening Balance		9,00,93,640	6,44,40,135
Add: Profit for the year		2,09,33,837	2,56,53,505
Closing Balance	C	11,10,27,477	9,00,93,640
Total (A+B+C)		25,22,88,228	23,13,54,391
Long Term Borrowings :	4		
(a) Term Loan			
Term Loan from Federal Bank (Secured)		4,19,58,667	3,26,32,511
(b) Hire Purchase Loans			
From Banks			
Secured		3,97,932	18,75,805
From Others			
Secured		13,09,500	53,70,064
(c) Other Loans and Advances			
Unsecured		5,29,97,910	5,29,97,910
		9,66,64,008	9,28,76,291

SHARAT INDUSTRIES LIMITED Notes forming part of the Financial Statements			
A. Nature of Security:			
1. Term Loan from Federal Bank is secured by the charge of Fixed Assets to be Procured. The Loan is repayable in 57 installments.			
2. Hire Purchase Loans are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 30 to 36 monthly installments.			
Particulars	Note No.	As At March 31, 2016 ₹	As At March 31, 2015 ₹
Deffered Tax Asset/Liability	5		
Deferred Tax Asset		-	(1,19,00,666)
On account of brought forward Losses			
Deferred Tax Liability		2,37,83,270	2,52,16,207
On difference between book balance and tax balance of fixed assets			
Net Deferred Tax Liability		2,37,83,270	1,33,15,541
Long-term Provisions	6		
(a) Provision for employee benefits :			
(i) Provision for Gratuity		23,04,553	22,64,084
		23,04,553	22,64,084
Short Term Borrowings	7		
Secured Loans from Federal Bank			
Packing Credit Loan		18,83,19,154	14,99,99,809
Cash Credit		10,02,65,187	5,01,75,507
		28,85,84,341	20,01,75,316
Trade Payables	8		
- For Supplies and Services		12,36,42,270	22,87,80,489
- For Expenses and Others			
		12,36,42,270	22,87,80,489
Other Current Liabilities	9		
(a) Current Maturities of Long Term Debt		55,38,437	50,47,757
(b) Other Payables			
(i) Statutory Remittances		8,73,290	14,85,248
(ii) Advances from Customers		-	-
		64,11,727	65,33,005
Short-Term Provisions	10		
Provision for others			
(a) Provision for Taxes (Net of Advance Tax)		28,30,506	(1,68,847)
(b) Provision for Expenses		1,46,60,093	1,25,83,282
(c) Wealth Tax Payable		-	83,620
		1,74,90,599	1,24,98,055

SHARAT INDUSTRIES LIMITED : NELLORE Notes forming part of the Financial Statements											
Note - 11 : Fixed Assets											
Sl.No	Particulars	Gross Block			DEPRECIATION			NET BLOCK			
		As At April 01, 2015	Additions	Deletions	As At March 31, 2016	For the year	Retained Earnings	Deletions	Upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
A	Tangible Assets										
1	Land	3,75,09,372	-	-	3,75,09,372	-	-	-	3,75,09,372	3,75,09,372	
	Freshhold										
2	Building	16,78,02,658	24,44,045	-	17,02,46,703	50,52,235	-	-	8,23,78,430	8,78,68,273	9,04,76,463
	Owned										
3	Plant and Equipment	26,10,73,261	6,23,53,473	-	32,34,26,734	2,99,84,407	-	-	16,74,05,520	15,60,21,214	12,36,52,148
	Owned										
4	Furniture & Fixtures	33,05,953	1,59,391	-	34,65,344	3,31,584	-	-	5,33,018	29,32,326	31,04,521
	Owned										
5	Vehicles	3,00,58,410	2,95,400	-	3,03,53,810	35,84,333	-	-	81,74,148	2,21,79,662	2,54,68,595
	Owned										
6	Office Equipment	14,82,689	10,44,206	-	25,26,895	3,89,053	-	-	8,80,259	16,46,636	9,91,483
	Owned										
7	Computers	12,33,286	91,650	-	13,24,936	3,62,717	-	-	8,47,724	4,77,212	7,48,279
	Owned										
8	Electrical Fixtures	1,15,27,422	3,14,820	-	1,18,42,242	11,77,024	-	-	60,44,019	57,98,223	66,60,427
	Owned										
9	Pond Construction	20,27,79,081	-	-	20,27,79,081	21,64,527	-	-	16,21,14,318	4,06,64,764	4,28,29,290
	Owned										
10	Jetty	3,51,87,618	-	-	3,51,87,618	3,59,668	-	-	2,98,39,417	53,48,201	57,07,870
	Owned										
		(A)	75,19,59,751	6,67,02,985	81,86,62,736	4,34,05,549	-	-	45,82,16,854	36,04,45,882	33,71,48,447
B	Intangible Assets										
1	Software	-	4,63,905	-	4,63,905	43,367	-	-	43,367	4,20,538	-
	Owned										
		(B)	4,63,905	-	4,63,905	43,367	-	-	43,367	4,20,538	-
		(A)+(B)	75,19,59,751	6,71,66,890	81,91,26,641	4,34,48,915	-	-	45,82,60,220	36,08,66,421	33,71,48,447
	Previous Year	72,25,12,775	10,49,62,704	7,55,15,729	75,19,59,751	5,22,08,042	52,84,133	7,55,15,729	41,48,11,305	33,71,48,447	28,96,77,917

SHARAT INDUSTRIES LIMITED				
Notes forming part of the Financial Statements				
Particulars	Note No.	As At March 31, 2016 ₹	As At March 31, 2015 ₹	
Capital Work in Progress :	12			
Building		-	2,71,695	
		-	2,71,695	
Long Term Loans and Advances:	13			
(a) Security Deposits				
Unsecured, considered good		1,95,74,059	77,90,259	
Less: Provision for Doubtful Deposits		-	-	
(a)		1,95,74,059	77,90,259	
(b) Mat Credit Entitlement				
Unsecured, considered good	(b)	2,12,19,240	1,33,09,390	
(c) Loans and Advances				
Unsecured, considered good		2,29,65,528	2,72,85,528	
Less: Provision for Doubtful Loans and advances		-	-	
(c)		2,29,65,528	2,72,85,528	
Total (a+b+c)		6,37,58,827	4,83,85,177	
Inventories :	14			
(As valued and certified by the Management)				
(i) Raw Materials		13,65,09,516	10,25,27,680	
(ii) Finished Goods		22,44,42,513	26,25,64,890	
		36,09,52,029	36,50,92,570	
Trade Receivables :	15			
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, Considered good		1,03,26,807	70,30,660	
Less : Provision for Doubtful Trade Receivables		-	-	
(A)		1,03,26,807	70,30,660	
Other Trade Receivables				
Unsecured, considered good		16,32,01,363	13,48,98,405	
Less : Provision for Doubtful Trade Receivables		-	-	
(B)		16,32,01,363	13,48,98,405	
TOTAL (A+B)		17,35,28,170	14,19,29,065	
Cash and Cash Equivalents :	16			
(a) Cash on hand		3,35,687	14,69,354	
(b) Balances with Banks:				
i) in Current Accounts		3,08,62,250	5,60,84,740	
ii) in EEFC Accounts		-	1,82,44,161	
iii) in Deposit Accounts		55,489	14,072	
iv) in Earmarked Accounts		1,77,36,675	1,24,38,895	
		4,89,90,101	8,82,51,222	
Short Term Loans and Advances :	17			
(a) Loans and Advances to Employees				
Unsecured, considered good		6,672	1,18,584	
Less : Provision for Doubtful Advances		-	-	
		6,672	1,18,584	
(b) Prepaid Expenses		5,63,165	3,39,722	
(c) Balances with Government Authorities		30,22,049	18,29,134	
(d) MAT Credit Entitlement		60,61,990	79,09,850	
(e) Others		1,35,44,574	1,66,46,707	
		2,31,98,449	2,68,43,996	

SHARAT INDUSTRIES LIMITED				
Notes forming part of the Financial Statements				
Particulars	Note No.	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹	
Revenue from Operations:	18			
(a) Sale of Products		1,40,40,48,456	1,92,18,83,533	
(b) Sale of Services		2,44,99,677	4,54,69,441	
(c) Other Operating Revenues		4,93,53,329	5,76,56,470	
		1,47,79,01,462	2,02,50,09,444	
Sale of Products:				
Sale of Shrimp - Export		69,31,76,736	1,08,66,83,345	
Sale of Feed		68,40,34,856	74,04,71,515	
Sale of Seed		1,78,88,160	9,09,19,030	
Sale of Raw Shrimp		55,06,954	38,09,643	
Sale of Chemicals		34,41,750	-	
		1,40,40,48,456	1,92,18,83,533	
Sale of Services:				
Job Work Charges (ITC)		2,44,99,677	4,54,69,441	
		2,44,99,677	4,54,69,441	
Other Operating Revenue:				
Export Incentives		4,54,88,780	5,69,03,737	
Sale of Scrap		34,65,986	7,52,733	
Processing charges		3,98,563	-	
		4,93,53,329	5,76,56,470	
Other Income :	19			
(a) Interest Income				
Interest Income on:				
Bank Deposits		20,12,209	10,02,483	
Others		6,96,177	7,93,496	
(b) Net gain on Foreign Currency Transactions		80,22,503	1,32,77,789	
(c) Other Non-Operating Income		99,35,304	2,59,64,740	
(d) Income Tax Refund		-	13,330	
		2,06,66,193	4,10,51,838	
Cost of Materials Consumed:	20			
Consumption of Raw Materials and Packing Materials				
Opening Stock		10,25,27,680	2,40,95,629	
Add: Purchases		98,45,46,293	1,77,07,77,852	
		1,08,70,73,973	1,79,48,73,481	
Less: Closing Stock		13,65,09,516	10,25,27,680	
		95,05,64,457	1,69,23,45,801	
Changes in Inventory of finished goods:	21			
Inventories at the end of the year				
Finished Goods - Frozen Shrimp		20,68,55,263	24,66,88,845	
Finished Goods - Feed		1,75,87,250	1,58,76,045	
		22,44,42,513	26,25,64,890	
Inventories at the beginning of the year				
Finished Goods - Frozen Shrimp		24,66,88,845	3,99,82,664	
Finished Goods - Feed		1,58,76,045	51,23,453	
		26,25,64,890	4,51,06,117	
		3,81,22,377	(21,74,58,773)	

SHARAT INDUSTRIES LIMITED			
Notes forming part of the Financial Statements			
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
		₹	₹
Employee Benefits Expense :	22		
Salaries, wages and bonus		10,06,94,568	5,85,82,913
Staff Welfare and contribution to other Funds		72,32,347	76,10,120
		10,79,26,915	6,61,93,033
Finance Costs :	23		
Interest Expense on:			
(i) Interest		3,85,52,421	2,01,30,301
(ii) Other Borrowing Costs		-	26,57,298
		3,85,52,421	2,27,87,599
Other Expenses	24		
Manufacturing Expenses			
Power & Fuel		6,27,53,456	8,46,97,602
Repairs & Maintenance			
- Buildings		27,33,096	3,26,444
- Plant & Machinery		28,44,407	25,98,552
- Electricals		16,64,269	55,12,678
Other Manufacturing Expenses		6,37,09,728	11,55,42,373
	(a)	13,37,04,956	20,86,77,649
Selling Expenses			
Advertisement		32,79,369	12,02,933
Ocean freight and export expenses		4,60,54,875	6,06,36,391
Marketing Expenses		4,22,57,779	4,75,51,816
Turnover & Other Discounts		2,74,61,853	3,31,12,925
	(b)	11,90,53,876	14,25,04,065
Other expenses			
Audit Fees		-	-
For Statutory Audit		2,50,000	1,80,000
For Taxation purpose		2,00,000	2,00,000
Return preparation		1,00,000	75,000
For Other Services		77,000	1,54,938
Audit Expense		1,09,918	84,320
Bank Charges		14,28,013	9,82,089
Bad Debts		59,99,458	43,20,704
Donation		2,00,000	-
Consultancy Fees		47,54,753	35,95,659
Communication Expenses		12,15,376	12,60,092
General Expenses		18,07,969	27,98,264
Gratuity		40,469	22,64,084
Fuel Charges		1,41,726	-
Insurance		8,68,786	5,50,703
Legal, Statutory & Documentation Charges		3,26,589	2,36,712
Inspection Charges		55,965	-
Office Maintenance		9,12,870	8,87,729
Printing & Stationery		26,52,716	19,13,091
Registration & Renewals		7,16,397	13,21,214
Rates & Taxes		6,44,573	19,57,515
Wealth Tax		-	83,620
Security Charges		44,76,416	47,35,512
Office Rent		11,38,500	10,80,000
Travelling & Conveyance Expenses		49,05,757	60,56,680
Vehicles Maintenance		22,32,418	17,01,353
Service Tax		-	-
Sales Tax		46,875	20,27,240
	(c)	3,53,02,544	3,84,66,519
Grand Total (a+b+c)		28,80,61,376	38,96,48,234
Earnings per Share	25		
Profit / (Loss) After Tax attributable to Equity Shareholders		2,09,33,837	2,56,53,505
Weighted average number of equity shares		22012500	22012500
Basic & Diluted Earnings per Share		0.95	1.17
Face Value of the Share		10.00	10.00

Note No. 26: Accounting Year:

The current accounting year consists of 12 months from April 1, 2015 to March 31, 2016.

Note No. 27: Taxes & Duties:

a) Income Tax: The assessments for and up to the assessment year 2013-2014 have been completed.

Note No. 28: Secured Loans:

The Company has obtained and extended the same Working Capital Limit of ₹.30 Crores from THE FEDERAL BANK LIMITED, 61, Anna Salai, Chennai, against the hypothecation of Company's Fixed Assets and Current Assets including Stock.

Note No. 29: Excise Duty on Closing Inventory of Feed:

The Company has opted out of 100% EOU, under the EPCG Scheme. All the Customs and Excise Duties resulting after the debonding have been paid in full. Henceforth, there is no liability on feed manufactured by the Company and hence no provision is made for Excise Duty on Inventory of Shrimp Feed.

Note No. 30: Auditors' Remuneration:

Particulars	Current Year	Previous Year
Audit Fees	2,50,000	1,80,000
Tax Audit	2,00,000	2,00,000
Tax Representation & Others	1,00,000	75,000
Service Tax	77,000	63,700

Note No. 31: Foreign Currency:**Inflow:**

Foreign Exchange Inflow on account of Export of Sales US \$ 1,12,71,584.39 equivalent to ₹.73,78,49,959/- (PY: US \$ 1,79,83,091.24 equivalent to ₹. 1,08,66,83,345/-)

Outflow:

Foreign Exchange Outflow on account of import of Capital Goods & Raw Materials US \$ 4,98,848.45 equivalent to ₹.3,27,44,548/- (PY: US \$ 8,71,265.95 equivalent to ₹. 5,35,81,839/-)

Note No. 32 : The quantitative information required to be disclosed as per paragraphs 3 & 4 of Part II of Schedule - III to the Companies Act, 2013 have not been furnished, as they have been exempted vide Notification F. No. 51/12/2007 - CL.III date 8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India.

Note No. 33: Deferred Tax: Deferred Tax Asset (net) as at March 31, 2015 comprises of:

Particulars	₹	₹	₹	₹
Deferred Tax Liability:	As per Books		As per I.T Act	Difference
Gross Block as on 31.3.16 (Excluding Land)	78,16,17,269		28,70,86,115	49,45,31,154
Depreciation	45,82,60,220		3,56,62,254	42,25,97,966
	32,33,57,049		25,14,23,861	7,19,33,188
Tax	@30% on	7,19,33,188	2,15,79,956	
Surcharge	@7% on	2,15,79,956	15,10,597	
Education Cess	@3% on	2,30,90,553	6,92,717	
Deferred Tax Liability				2,37,83,270
Deferred Tax Liability as on 31.03.2016				2,37,83,270
Deferred Tax Liability as on 31.03.2015				1,33,15,541
Increase in Deferred Tax Liability debited to Statement of Profit & Loss				(1,04,67,729)

Note No. 34: Contingent Liabilities:

A. Claims against the Company not acknowledged as debts :

S. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Customs Duty and Excise Duty	76.31	76.31
ii)	Service Tax (₹15.75 Lakhs paid before Balance Sheet date.)	31.50	-

B. Bank Guarantees issued on behalf of the Company:

S. No.	Particulars	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
i)	Oriental Bank of Commerce	1.50	1.50
ii)	Federal Bank	194.83	71.41

Note No. 35: 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.

Note No. 36: 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:

I. List of Related Parties:

Sl. No.	Name of the Related Party	Relationship
1	S. Prasad Reddy	Key Managerial Person (Chairman & Managing Director)
2	S. Sharat Reddy	Whole-time Director
3	S. Devaki Reddy	Relative of Key Managerial Person (Wife)

II. Transactions with Related Parties: (in Rupees)

Related Party	2015-16	2014-15
Remuneration		
S. Prasad Reddy	72,00,000	33,00,000
S. Sharat Reddy	42,00,000	42,00,000
Land Lease		
S. Prasad Reddy	16,50,000	16,50,000
Building Rent		
S. Devaki Reddy	7,20,000	7,20,000

Note No. 37: Micro, Small and Medium Enterprises :

The Company has not received any information from the suppliers as regards their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per Schedule - III of the Companies Act, 2013 could not be provided. However, no interest accrued / paid during the year to any of the suppliers.

Note No.38 : Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

for P.A. REDDY & Co.,
Chartered Accountants
FRN: 007368S

On behalf of the Board

P. ASHOK REDDY
Partner
M. No: 023202

S. PRASAD REDDY
Chairman & Managing Director
DIN : 00069094

Veerraju Manda
Director
DIN : 03164917

Place: Nellore
Date: 30.05.2016

V.C. Rama Krishna
Chief Financial Officer

SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)
 Regd. Office: VENKANNAPELEM VILLAGE,
 T.P. Gudur Mandal,Nellore District,Andhra Pradesh.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
 (to be handed it over at venue of the meeting)

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Avanti Leathers Limited.

DP ID*		Folio No.	
--------	--	-----------	--

Client ID*		No. of Shares	
------------	--	---------------	--

* Applicable for investors holding shares in electronic form

I hereby record my presence at the 26th Annual General Meeting of the company held on 30th day of September, 2016 at 10.00 A. M at Venkannapalem Village, T.P. Gudur Mandal,Nellore District,Andhra Pradesh.

Name and Address of Member

Signature of Shareholder / proxy/Representative

SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)
 Regd. Office: VENKANNAPELEM VILLAGE,
 T.P. Gudur Mandal,Nellore District,Andhra Pradesh.

Form No MGT-11
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule, 2014

CIN	CIN: L05005AP1990PLC011276
Name of the Company	SHARAT INDUSTRIES LIMITED
Registered office	VENKANNAPELEM VILLAGE, T.P. Gudur Mandal, Nellore District,Andhra Pradesh.
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

i/ We, being the member(s)ofshares of the above named company, hereby appoint

1	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	
2	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	
3	Name		
	Address		
	E- Mail ID		
	of failing him	Signature	

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 25th Annual General meeting of the Company, to be held on 30th day of September, 2016 at 10.00 A. M at Venkannapalem Village,T.P. Gudur Mandal, Nellore District, Andhra Pradesh and at any adjournment thereof in respect of such resolution as are indicated below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Re-appointment of Mrs. S. Charita Reddy, Woman Director, Director who retires by rotation		
3. Re-appointment of Statutory Auditors		
4. Appointment of Mrs. Durga Thota, as Women Independent Director		

Signed thisday of2016
 Signature of Shareholder.....
 Signature of Proxy holder(s).....

**Affix
 Revenue
 Stamp**

Note: This of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

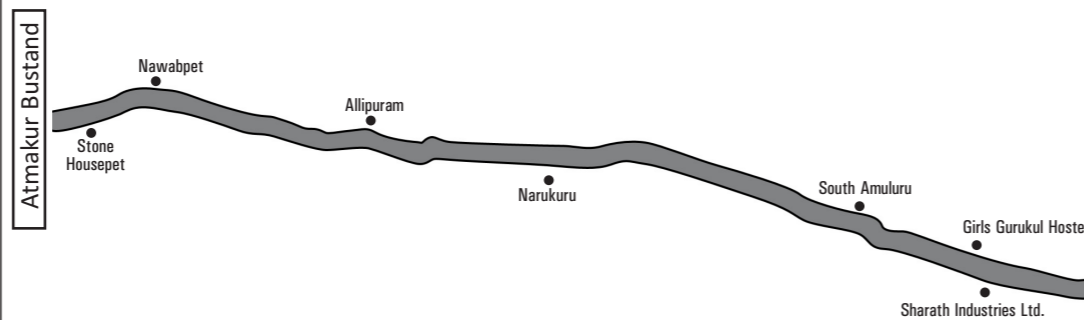
SHARHOLDER'S INFORMATION

Share holders are requested to please furnish the following details for updating the records and comply with regulations and to serve you better.

Name(s)	
Folio No.	
No. of Shares	
Address:	
e-mail address	
PAN	
Specimen Signature 1	
Specimen Signature 2	

Note: please scan and send the copy of PAN CARD, Proof of Address, and specimen signature attested by bank manager for your safety and demat purpose, along with the above details.

ROUTE MAP



**PRINTED MATTER
BOOK-POST**

IF UNDELIVERED, PLEASE RETURN TO :
SHARAT INDUSTRIES LIMITED
 D. No. 16-2-405, Srinivasa Agraharam,
 Opp. Manas Apartments, Mini bypass Road,
 Nellore - 524 002.

