



# SHARAT INDUSTRIES LIMITED

CIN - L05005AP1990PLC011276

**Regd. Off.** : Feed Plant, Hatchery & Farm

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

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

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

16<sup>th</sup> February 2024

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

BSE Scrip Code: 519397

Dear Sir / Madam,

**Sub: Investors Presentation for the Quarter Ended 31<sup>st</sup> December 2023.**

Pursuant to Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Investors Presentation on the Un-Audited Financial Results of the Company for the Quarter Ended 31<sup>st</sup> December 2023.

The above intimations may kindly be taken on record.

Thanking You,

Yours faithfully,  
**FOR SHARAT INDUSTRIES LIMITED**

**BALAMURUGAN M**  
**COMPANY SECRETARY**

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

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



# Sharat Industries Ltd

India's Oldest Integrated  
Aquaculture Company

Hatchery | Farm | Feed Mill | Processing Plant

Investor Presentation  
Q3FY2024



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You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

# Table of Content



**01**

**About Us**

- About Us
- Integrated Operations
- Our Journey
- Top Management

**02**

**Financials**

- Quarterly Financials
- Annual Financials

**03**

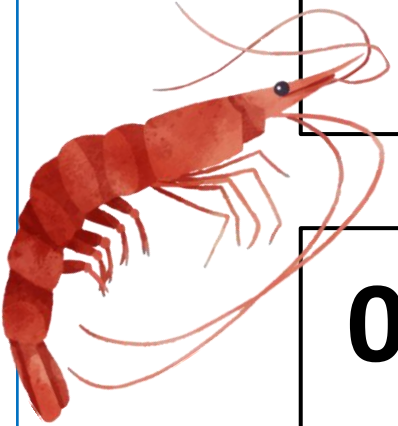
**Business Overview**

- Value Proposition
- Growth Drivers
- Capacity Utilization Improvement
- Technology in Aquaculture

**04**

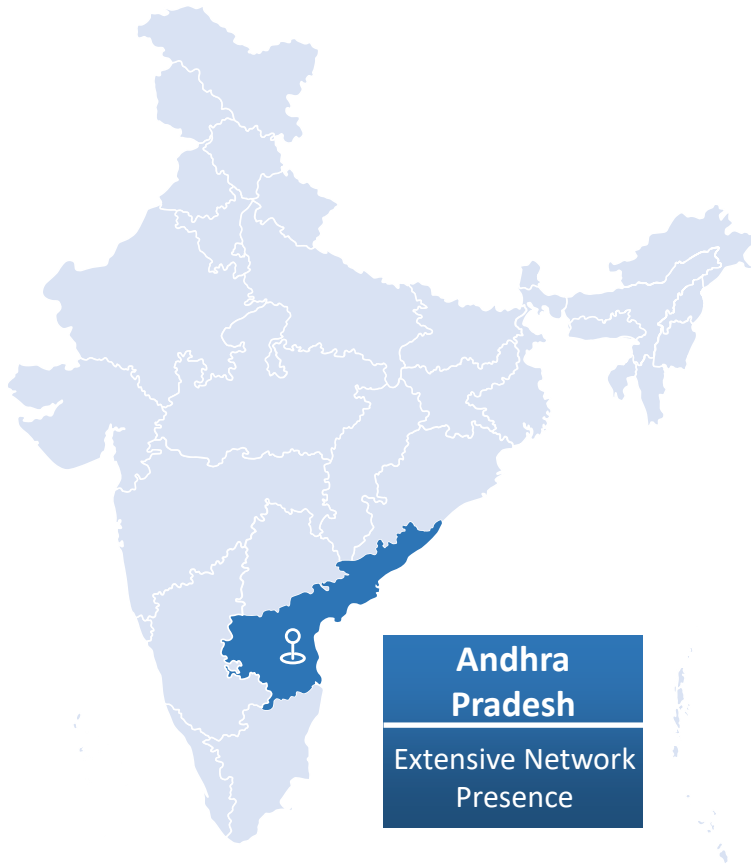
**Industry Overview**

- Global Industry
- Indian Industry





## Strategically located



**1990**  
Year of Establishment

**25+**  
Export Customer Base

**30+**  
Domestic Customer Base

**10+**  
Export Countries

**500**  
Acres Land

A pioneer in introducing Vannamei (white shrimp) breeding and culture in India which was instrumental in the revival of aquaculture industry in India in 2009.

Sharat Industries' business divisions and their offerings		
Business divisions	Capacity (Per year)	Offerings
<b>Hatchery</b>	500 million seedlings	<ul style="list-style-type: none"> <li>Produces Vannamei seedlings (First hatchery in the country to have introduced and nativised this species)</li> <li>Long-term association with SIS, Florida</li> <li>Uses only specific pathogen free (SPF) brood-stock to ensure stringent quality and disease resistant seedlings</li> </ul>
<b>Farm</b>	2000 tonnes Shrimp	<ul style="list-style-type: none"> <li>500 acre farm located on the coast of the Bay of Bengal</li> <li>Proximity to sea enables the use of sea water for the farming operations.</li> <li>Significant investment in infrastructure to mitigate risk and increase output at farm level.</li> </ul>
<b>Feed Mill</b>	22,500 tonnes	<ul style="list-style-type: none"> <li>Produces high quality and nutritional shrimp feed marketed under VANNASTAR brand and widely accepted by farmers</li> </ul>
<b>Processing Plant</b>	7,500 tonnes frozen Shrimp	<ul style="list-style-type: none"> <li>Plant with state-of-the-art infrastructure and ultra modern processing equipment</li> <li>Ensures processed products are antibiotic free and high quality</li> </ul>





## Hatchery



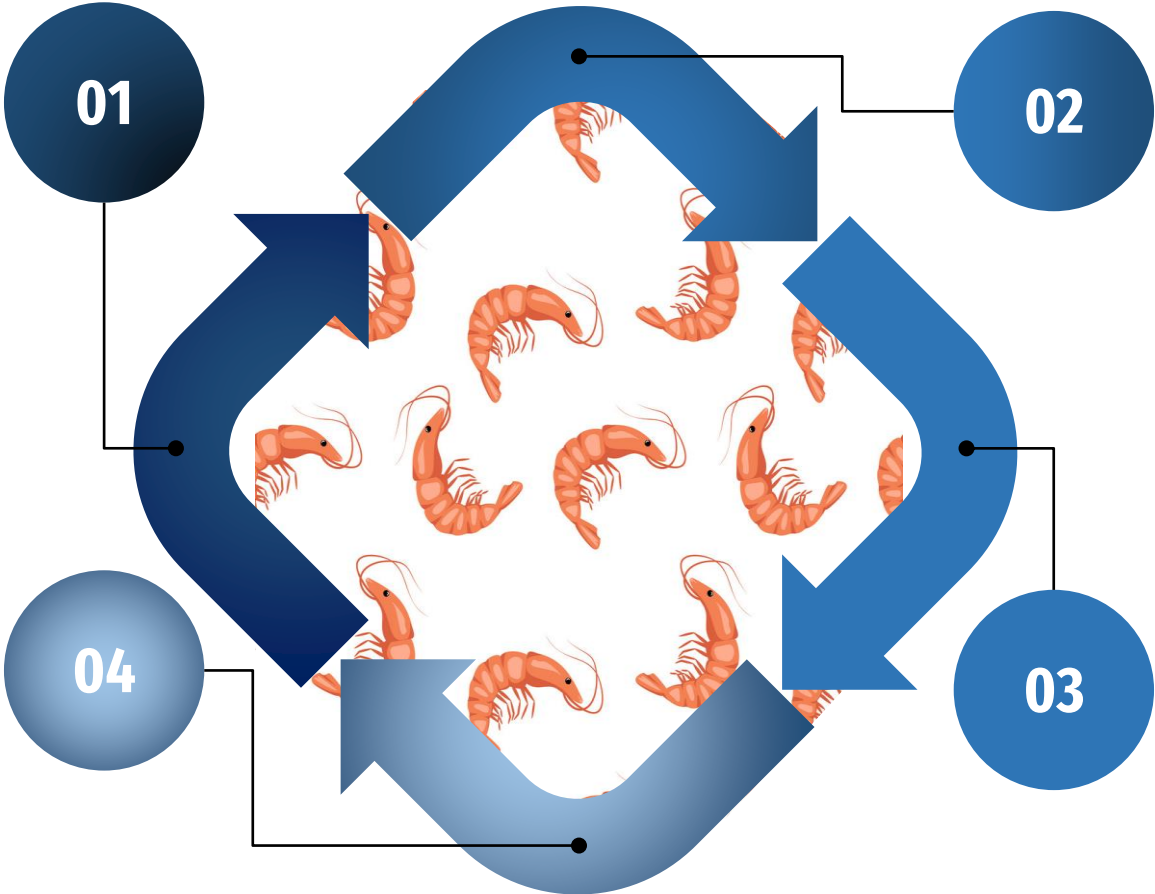
## Processing Plant



## Feed Mill



## Farms



# Our Journey



## 1990-1994

**1990:** Sharat Sea Foods registered

**1991:** Land procured and farm operations started (Black Tiger)

**1994:** Hatchery operations started and IPO issued : 8 times over subscribed. Rs. 22 crores share capital received.

## 1998-2004

**1998-99:** WSSV disease threat and industry slump. Share trading stopped. Feed plant operations began with International tie-up

**2001:** Processing Plant operations started

**2000-2004:** Scampi production and industry revival. Trials for Vannamei in progress.

## 2004-2020

**2004-05:** Pilot Project of Vannamei at advanced stage

**2007-09:** Vannamei a commercial success, previous losses erased. Upward trend in company performance

**2009:** Govt. permits Vannamei

**2011:** Commercial feed operations commenced. EU exports stabilization

**2020:** Despite prevalence of COVID and related factors, company exhibits 25% growth

## 2021-2023

**2021:** Company posts steady performance amidst difficult operational conditions in domestic and global markets

**2022:** Looking to widen product offerings





**Mr S Prasad Reddy**  
Managing Director

**Qualification:**

- Post-graduate in Sociology from Jamia Millia Islamia (University in Delhi)

**Professional work experience:**

- A first-generation entrepreneur with nearly 4 decades of experience, he is considered as a visionary in the seafood sector and was instrumental in conceptualizing and setting up Sharat Industries Ltd as an integrated aquaculture company.
- He is widely regarded as a pioneer in the sector owing to his efforts in introducing the Vannamei Species of Shrimp in India, spurring a revolution in the aquaculture industry.



**Mr S Sharat Reddy**  
Executive Director

**Qualification:**

- Bachelor's Degree in Mechanical Engineering from College of Engineering, Guindy
- Master's degree in Industrial Engineering and Operations Research from: Pennsylvania State University (USA)

**Professional work experience:**

- Sharat has been involved with operations at SIL since the last 10 years.
- He is currently responsible for creating the roadmap for the future of SIL, driving strategy, and implementing operational priorities aligned with the overall organizational growth.
- Sharat has a holistic understanding of finance, management, operations, and sales/marketing and has played a key role in the growth of the company over the last 5 years.
- He is focused on innovation and leveraging technology for higher efficiency in the business.





# Quarterly Financials

# Performance Highlights - 9MFY24

About Us

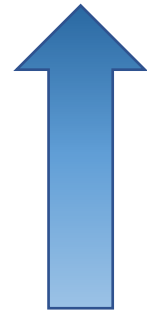
Quarterly Financials

Value Proposition

Growth Drivers

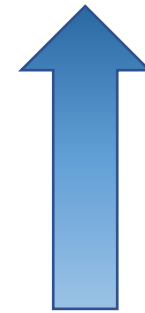
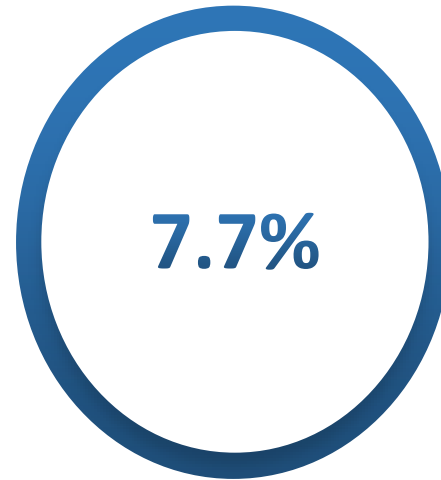
Annual Financials

Industry Overview



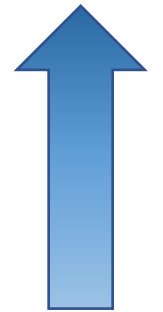
2.9%  
YoY

EBIDTA



+117 bps  
YoY

EBIDTA Margin



+4 bps  
YoY

PAT Margin

# Summary of Quarterly Financials

About Us

Quarterly Financials

Value Proposition

Growth Drivers

Annual Financials

Industry Overview



Rs crore

Particulars (INR Crore)	Q3FY24	Q2FY24	Q3FY23	YoY%	QoQ%	9MFY24	9MFY23	YoY%
Revenue from Operations	60.8	96.8	85.3	- 28.8	- 37.3	237.5	269.9	- 12.0
Other Income	0.1	0.4	1.5	- 94.1	- 78.5	0.7	3.1	- 76.5
<b>Total Income</b>	<b>60.8</b>	<b>97.3</b>	<b>86.9</b>	<b>- 29.9</b>	<b>- 37.4</b>	<b>238.2</b>	<b>273.0</b>	<b>- 12.8</b>
Total Expenditure	56.1	89.6	80.9	- 30.7	- 37.5	219.9	255.2	- 13.8
<b>EBITDA</b>	<b>4.8</b>	<b>7.6</b>	<b>6.0</b>	<b>- 20.1</b>	<b>- 37.2</b>	<b>18.4</b>	<b>17.8</b>	<b>2.9</b>
EBITDA Margin (%)	7.9%	7.8%	6.9%	97 bps	3 bps	7.7%	6.5%	117 bps
Depreciation	1.2	1.2	1.1	10.6	- 1.1	3.5	3.1	12.3
<b>Profit Before Interest &amp; Tax</b>	<b>3.6</b>	<b>6.4</b>	<b>4.9</b>	<b>- 26.6</b>	<b>- 43.8</b>	<b>14.9</b>	<b>14.7</b>	<b>0.9</b>
Interest	2.4	2.5	2.4	- 1.2	- 4.7	7.2	6.1	18.2
<b>Profit Before Tax</b>	<b>1.2</b>	<b>3.9</b>	<b>2.5</b>	<b>- 51.3</b>	<b>- 68.9</b>	<b>7.6</b>	<b>8.6</b>	<b>- 11.4</b>
Tax	0.3	1.1	0.7	- 55.6	- 72.1	2.1	2.4	- 12.0
<b>Profit After Tax</b>	<b>0.9</b>	<b>2.8</b>	<b>1.8</b>	<b>- 49.7</b>	<b>- 67.7</b>	<b>5.5</b>	<b>6.2</b>	<b>- 11.2</b>
PAT Margin (%)	1.5%	2.9%	2.1%	- 59 bps	- 140 bps	2.3%	2.3%	4 bps
<b>EPS (Rs) (calculated on PAT)</b>	<b>0.38</b>	<b>1.17</b>	<b>0.76</b>	<b>- 49.7</b>	<b>- 67.7</b>	<b>2.31</b>	<b>2.60</b>	<b>- 11.2</b>

Note: EBITDA is before Other Income and is the Core Operating Income



# Value Proposition & Growth Drivers



## Competitive advantage

- Three decades of experience.
- Strong brand recall.
- Strategically located aquaculture farm and processing plant ensuring freshest quality shrimp for processing.
- Well-integrated farmer network to ensure product traceability and the procurement of healthy, antibiotic-free shrimp.
- Vertically integrated to ensure quality of the product at every stage.

## Operational highlights

- The export division contributes to roughly two thirds of the overall revenue.
- Feed division contributes to approximately 25% of the overall revenue. Farm and hatchery contribute to the rest.
- Exports Sales to grow at 15-20% CAGR over the next 5 years.
- Company constantly focusses on R&D to improve operational efficiency of divisions and overall product quality.

## Product portfolio & certifications

- A range of 10 raw and 3 Cooked White-Shrimp products, as per customer's specifications.
- 4 broad varieties of Shrimp feed.
- Unwavering focus on quality with following certifications – EIC, HACCP, ISO 22000 : 2005, BRC - A Grade, FDA, BSCI, BAP 4 Star, EU approved.
- FSSAI approval for the process plant lays a platform for future sales of frozen shrimp in the domestic market.



## Increase Capacity Utilisation

- ❑ Forward integration and strategic partnerships will help increase capacity utilisation to 90% over the next 3-5 years
- ❑ Will create significant operating leverage in the business
- ❑ Improve overall margins by 200 bps over the next 3-5 years

## Forward integration

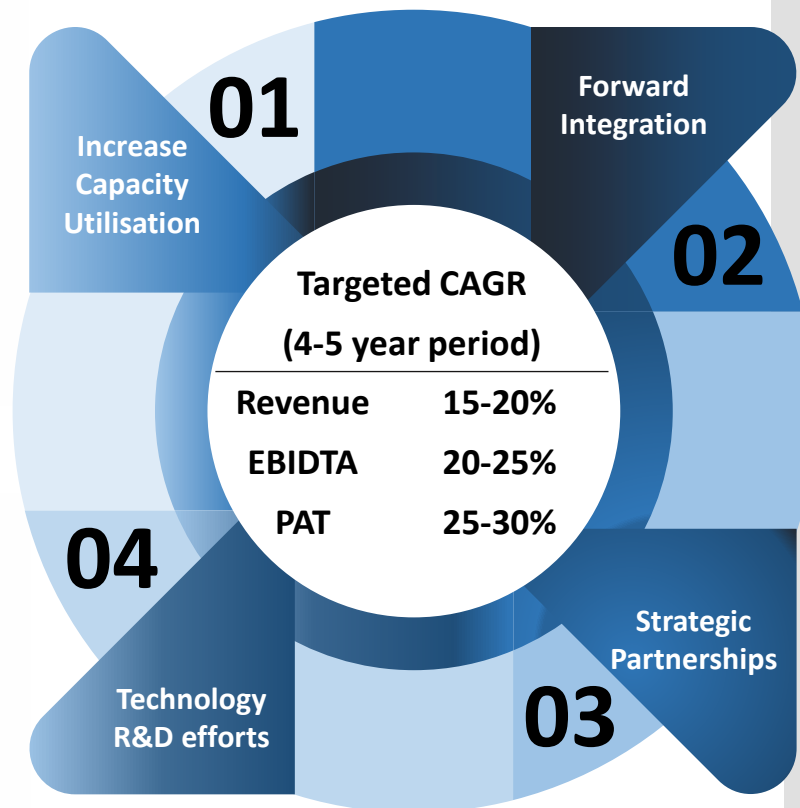
- ❑ Higher value added products
- ❑ Invested Rs 4.5 cr to upgrade cooking line / machinery
- ❑ Opportunity to enhance exports
- ❑ Opportunity to target premium customers
- ❑ Improve overall margins by 200 bps over the next 3-5 years

## Technology; R&D efforts

- ❑ Technology based interface for operations
- ❑ Improve supply chain & end traceability for products
- ❑ Pilot farming with UAL Biotech for improved output despite extreme weather.
- ❑ Collaborate to setup a RAS farm (Recirculating aquaculture System) which will help cater up to 50% of overall demand at its processing systems.
- ❑ Taken measures to improve biosecurity thereby reducing risk of disease & shrimp mortality

## Strategic partnerships

- ❑ Technical collaboration with global / international players to increase capacity utilisation of farm operations
- ❑ Contract farming
- ❑ JV with strategic players / large corporate farmers
- ❑ Improve overall margins by 150 bps over the next 3-5 years

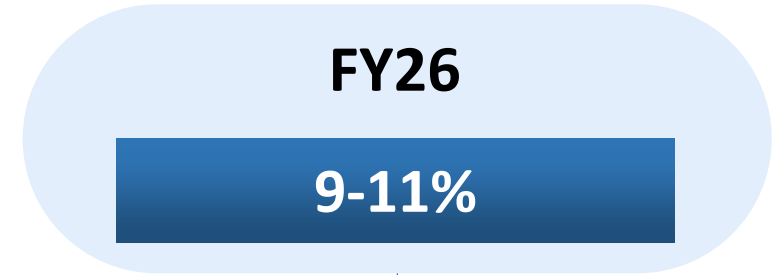


# Key factors that will drive EBITDA Margin

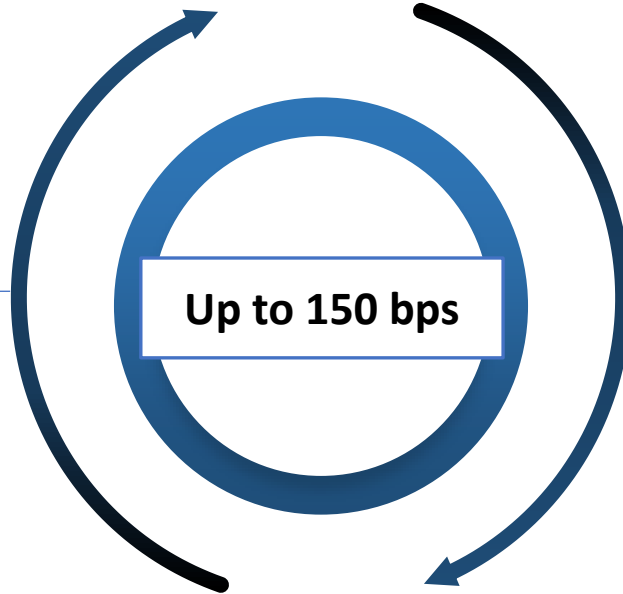


- Forward integration into higher value-added shrimp products
- Invested Rs. 4.5 Cr in upgrading its cooking line/ machinery.
- This will play a key role in increasing export revenue and profitability in the coming years.
- Enable SIL to access premium customers (such as retail chains, restaurants, etc.)

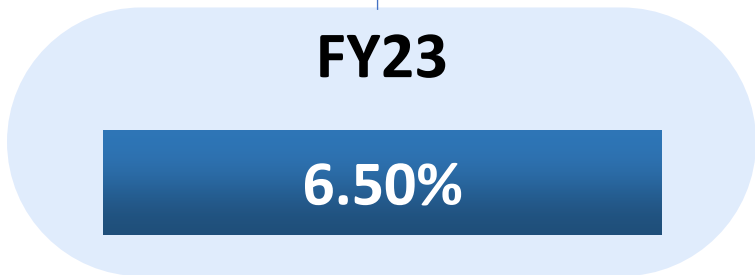
- Technical collaboration with foreign company / technology partner



Up to 200 bps



Up to 200 bps



**Forward integration**

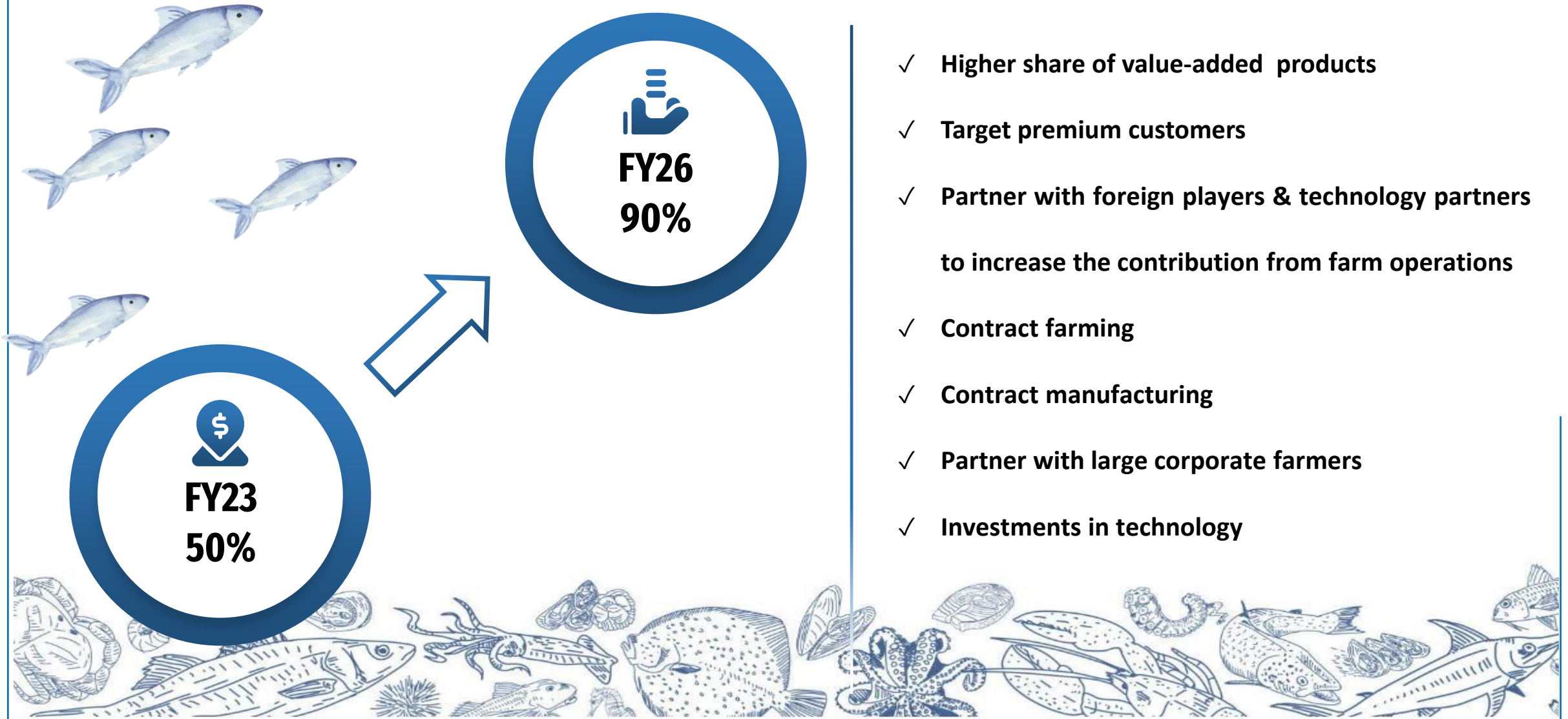
- Currently establishing a joint venture with a technology partner to increase the contribution from farm operations .
- Contract farming, JV association with strategic players , large/corporate farmers

**Strategic Partnerships**

- Increase Effective capacity utilization
- Indicated strategies and technology will enable SIL to boost its overall capacity utilisation from roughly 45% presently to about 90% over the next 3-5 years.
- This will reduce the impact of high fixed costs on operations and bring about more consistency in operations, leading to better profitability

**Increase capacity utilisation**

# Key factors driving Capacity Utilisation







01

## Combining Technology & Innovation

By leveraging technology, SIL aims to improve the operational efficiency across the various divisions of its supply chain.

02

## End to End Traceability

For its processed products through software & a series of IOT devices. Use of blockchain technology will improve data transparency in both domestic & exports market

03

## Renewable Energy

To run existing operations, thereby taking significant steps towards macro-level sustainability. With sufficient captive consumption capacities / requirement and vast extent of land available, the company is likely to adopt these measures during the next 2 financial years.

04

## Boost in R&D

SIL will collaborate with UAL to setup a RAS project in its premises. This will enable SIL to rapidly expand its shrimp production in the near future to cater to up to 50% of its overall demand at the processing division.



## Strengths

- ❑ Robust farmer network ensures accurate product traceability and the procurement of healthy, antibiotic-free shrimp.
- ❑ Strategically located in Andhra Pradesh.
- ❑ 500 acres of land with 94% dedicated to farm.
- ❑ 3 decades of experience.
- ❑ Strong relationships with supply chain partners.
- ❑ Company has one of the largest shrimp farms in India that has the capacity to farm over 2000 tonnes of shrimp annually.

## Opportunities

- ❑ Increased export offerings.
- ❑ Strategic partnerships for improved operational efficiency in the shrimp farming & seafood processing sectors.
- ❑ Enhanced productivity & profitability with the help of technological advances coming through at the farm level.
- ❑ Product development at the seafood processing division to delve further into value-added production to augment profitability in the export and domestic markets.



## Weaknesses

- ❑ Disruptions in supply chains restricts the movement of goods, which, in turn hinders the distribution and manufacturing of various seafood products.
- ❑ Lower capacity utilization.
- ❑ Scope to improve use of technology to improve productivity.
- ❑ Lower margin profile versus peers.

## Threats

- ❑ Sharp Jump in production from Ecuador, which was lower in production vs India, but is now higher in production in the current year, threatens to keep pricing under pressure thereby impacting overall margins.
- ❑ Cyclones or other weather conditions impacting productivity and output from our farms.
- ❑ An unprecedented increase in international ocean freight, with a dearth of liners, which can adversely affect freight cost
- ❑ Increase in pricing of certain critical commodities can lead to increase of feed manufacturing costs.





# Annual Financials

# Summary of Annual Income Statement

About Us

Quarterly Financials

Value Proposition

Growth Drivers

**Annual Financials**

Industry Overview



Rs crore

Particulars	FY19	FY20	FY21	FY22	FY23
<b>Income from Operations</b>	195.65	201.7	252.8	248.1	336.0
<b>EBIDTA</b>	12.42	13.3	13.08	14.51	21.91
<b>EBIDTA Margin (%)</b>	6.3%	6.6%	5.2%	5.8%	6.5%
<b>Profit After Tax</b>	2.89	1.8	2.61	3.46	6.54
<b>PAT Margin (%)</b>	1.5%	0.9%	1.0%	1.4%	1.9%
<b>Earnings Per Share (Rs)</b>	1.32	0.82	1.19	1.53	2.74

# Summary of Annual Balance Sheet

[About Us](#)
[Quarterly Financials](#)
[Value Proposition](#)
[Growth Drivers](#)
[Annual Financials](#)
[Industry Overview](#)


Rs crore

Particulars (INR Crore)	FY21	FY22	FY23
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	22.0	23.9	23.9
Other Equity	35.4	46.4	54.8
<b>Total Equity</b>	<b>57.4</b>	<b>70.4</b>	<b>78.7</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Borrowings	17.0	12.3	10.5
- Other Financial Liabilities	5.6	4.8	5.0
- Trade Payables	1.8	0.8	0.2
Provisions	0.1	0.1	0.3
Deferred Tax Liabilities (Net)	1.1	1.4	2.3
<b>Total Non-Current Liabilities</b>	<b>25.6</b>	<b>19.5</b>	<b>18.3</b>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	64.7	76.9	78.8
- Trade Payables	26.7	12.6	16.0
- Other Financial Liabilities	0.0	0.0	0.1
Other Current Liabilities	0.1	1.0	0.2
Provisions	6.4	5.8	5.7
<b>Total Current Liabilities</b>	<b>98.0</b>	<b>96.3</b>	<b>100.8</b>
<b>Total Equity and Liabilities</b>	<b>181.0</b>	<b>186.2</b>	<b>197.8</b>

Particulars (INR Crore)	FY21	FY22	FY23
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	42.3	45.9	49.3
Capital Work-In-Progress	2.1	2.5	1.4
Intangible Assets	0.0	0.0	-
Intangible Assets under development	-	-	-
Financial Assets	-	-	0.0
Deferred Tax Assets	-	-	-
Other Non-Current Assets	2.5	2.5	2.5
Trade Receivables	4.8	5.2	4.4
<b>Total Non-Current Assets</b>	<b>51.7</b>	<b>56.1</b>	<b>57.6</b>
<b>Current Assets</b>			
Inventories	65.3	54.9	55.1
Financial Assets			
- Investments	-	-	-
- Trade Receivables	41.8	56.6	56.0
- Cash & Cash Equivalents	1.5	4.6	8.5
- Bank Balances other than cash	2.9	1.0	3.5
- Others	8.7	3.9	4.7
Other Current Assets	9.0	9.0	12.3
<b>Total Current Assets</b>	<b>129.3</b>	<b>130.0</b>	<b>140.2</b>
<b>Total Assets</b>	<b>181.0</b>	<b>186.2</b>	<b>197.8</b>



# Seafood

## Industry Assessment



# Global Seafood Industry



## Seafood market to grow at a CAGR of 2.9% during 2022-30

### Seafood products are classified as:

- Capture fisheries - aquatic species from natural water bodies
  - such as the sea, lakes, ponds, etc.
  - Aquaculture - species cultivated in aquaculture farms under controlled conditions in marine, fresh or brackish water
- ❑ The global seafood market size was valued at USD 163.1 billion in 2021 and is projected to surpass around USD 210.4 billion by 2030 with a notable CAGR of 2.87% from 2022 to 2030.
  - ❑ The highest contributor to the market was the fish segment with \$101.5 Billion in 2019, and is projected to reach \$125.9 Billion by 2030, at a CAGR of 2.7% during the forecast period.
  - ❑ It's demand is rising because of rising population and incomes, availability of a variety of fish, rising awareness of health benefit from high protein content, and improving infrastructure of supply channels (cold chain).

Source: [Seafood Market Size to Surpass Around USD 210.4 Billion by \(globenewswire.com\)](https://www.globenewswire.com)

# Indian Seafood Industry



- India's share in global seafood trade is set to rise from 4.1% to 6.7% by 2030 supported by the Blue Revolution.
- The industry had attained an all-time record of US\$ 7.76 billion worth Seafood Exports during the Financial Year 2021-22.
- **Andhra Pradesh** accounted for 60% of this export basket.
- **USA and China** major export destinations. EU market likely to see a rise in demand in upcoming years. Domestic market demand for processed seafood set to increase during the next 7-8 years.

**4<sup>th</sup>** largest  
Exporter in the Global  
Market

**70%**  
Of exports are  
shrimps

**USD 7 Bn+**  
Expected Shrimp  
exports in the  
upcoming years

**43% : USA  
15% : China  
& Europe**  
% of Exports of  
Indian Seafood

**2x**  
Exports by FY25  
(compared to  
FY22 exports)

**1.2 Mn+**  
Hectares for Shrimp  
Farming  
(14% utilized for  
farming)

**8,118 Km**  
Of extensive  
coastline across:  
9 States &  
4 Union  
Territories

**40 Mn+**  
People employed in  
the Seafood Industry



Source: <https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-seafood-exports-rise-15-to-1-99-billion-in-june-quarter-official/articleshow/93526442.cms?from=mdr>

Source : Indian Seafood Industry – 23rd India International Seafood Show 2023 ([indianseafoodexpo.com](http://indianseafoodexpo.com))

Source: India's shrimp industry adapts to COVID-19 restrictions - Responsible Seafood Advocate ([globalseafood.org](http://globalseafood.org))



# Indian Seafood Exports

About Us

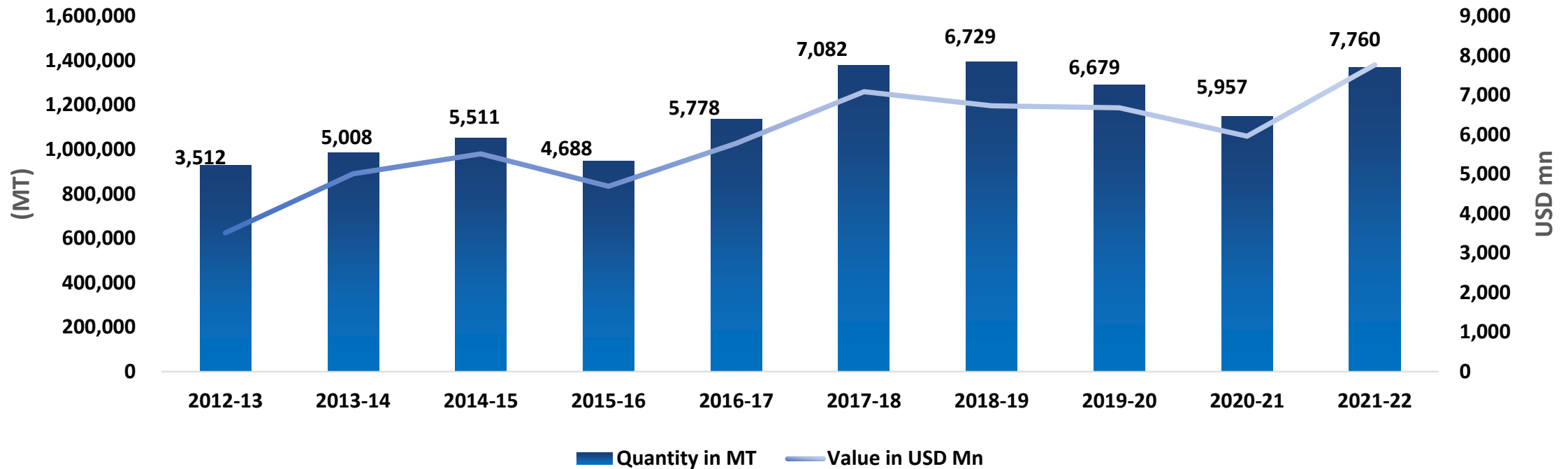
Quarterly Financials

Value Proposition

Growth Drivers

Annual Financials

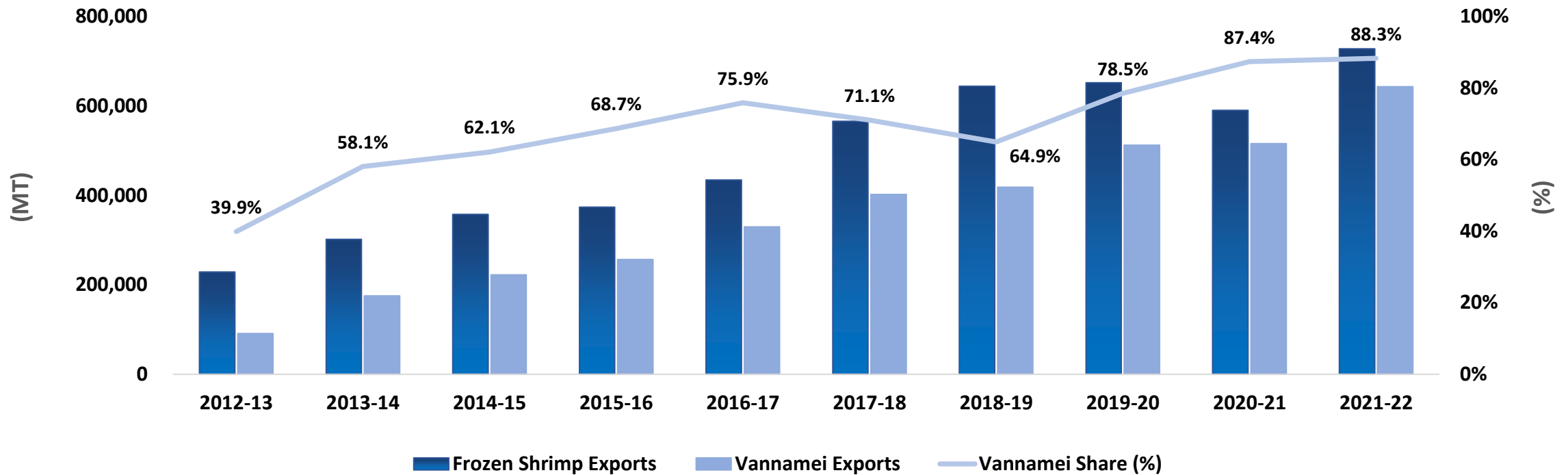
Industry Overview



Period	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Quantity in Tons	928,215	983,756	1,051,243	945,892	1,134,948	1,377,244	1,392,559	1,289,651	1,149,510	1,369,264
<i>Growth (%)</i>		5.98%	6.86%	-10.02%	19.99%	21.35%	1.11%	-7.39%	-10.87%	19.12%
USD in Million	3,512	5,008	5,511	4,688	5,778	7,082	6,729	6,679	5,957	7,760

Source: MPEDA

# Indian Vannamei Exports



Period	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Frozen Shrimp Exports Quantity (MT)</b>	228,620	301,435	357,505	373,866	434,484	565,980	644,145	652,253	590,275	728,123
<b>Vannamei Exports Quantity (MT)</b>	91,171	175,071	222,176	256,699	329,766	402,374	418,128	512,204	515,907	643,037
<b>Vannamei Share (%)</b>	39.9%	58.1%	62.1%	68.7%	75.9%	71.1%	64.9%	78.5%	87.4%	88.3%

Source: MPEDA

Thank You

# Contact Us



## Sharat Industries Ltd

Email: [chennai@sharatindustries.com](mailto:chennai@sharatindustries.com)

Contact : +91-44-43114304

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



## KAPTIFY Consulting

Integrated Reporting

Email: [contact@kaptify.in](mailto:contact@kaptify.in)

Contact : +91-845 288 6099

[www.kaptify.in](http://www.kaptify.in)