



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

E-mail : accounts@sharatindustries.com, Website : www.sharatindustries.com

Date: 03rd September, 2021

To,

Corporate Relationship Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 532370.

Dear Sir/Madam,

Sub: Submission of the Annual Report for the Financial Year 2020 – 21.

Ref: i. Regulations 34, 42, & 44 of Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015

ii. Scrip Code: 519397

We wish to inform you that the 31st Annual General Meeting ("AGM") of the Company is scheduled to be held on Monday, 27th September, 2021 at 10:00 A.M through Video Conferencing ("VC")/ Other Audio-Visual Means ("OVAM").

In line with requirements of Regulation 34 of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, We are submitting herewith the Notice of Annual General Meeting along with 31st Annual Report of the company for the Financial Year 2020-2021. The Annual Report has been uploaded in the Company's website and it is available at www.sharatindustries.com.

The Cut-off date for E- Voting is 20th September, 2021 and the E-voting commences on 24th September, 2021 at 09:00 A.M and ends on 26th September, 2021 at 05:00 P.M. The Register of Members of the Company for any transfers shall remain closed during the period 21st September, 2021 to 27th September, 2021 (both days inclusive).

Request you to kindly take the same on record as required under the provision of the above captioned Regulations.

Thanking You,

Yours Faithfully,

For SHARAT INDUSTRIES LIMITED

B. Vignesh Ram

**B. VIGNESH RAM
COMPANY SECRETARY & COMPLIANCE OFFICER**





SHARAT INDUSTRIES LIMITED

31st Annual Report
2020-2021



**RESILIENCE
IN ACTION**

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FY 2020-21 was a landmark year for Sharat Industries Limited, as we delivered a resilient performance despite challenges caused by the pandemic. We have sharpened our focus on leveraging our core strengths, building capacities and competencies, and fortifying risk management and governance. We strongly believe that profitability is an outcome of sustainable practices and thus we remain committed to it alongside setting ourselves realistic goals. This sets us on a clear path for a long-term sustainable growth, while helping us remain firm and unshaken and focussed on our goals irrespective of varying external conditions.

Corporate Information

Board of Directors

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

Statutory Auditors

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

Internal Auditors

SSRG & Associates, Chartered Accountants

Secretarial Auditors

Mr. Venkatraman Sundar – Practising Company
Secretary

Chief Financial Officer

Mr. B. Durga Prasad

Company Secretary & Compliance Officer

Mr. B. Vignesh Ram

Bankers

The Federal Bank Limited
Axis Bank Limited

Registered Office

Venkannapalem Village, T.P. Gudur Mandal
SPSR Nellore District
Andhra Pradesh - 524 002

Corporate Office

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

Feed Marketing Office

Flat 2B, 2nd Floor, Block -B,
Sea Doll Apartments , Nowroji road,
Vishakapatnam - 530 002

Registrar and Share Transfer Agent

M/s Cameo Corporate Service Limited
Subramanian Building,
No. 1 Club House Road,
Chennai - 600 002



We Are An Integrated Aquaculture Company

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

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

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

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

Our Competitive Advantage

Strong brand recall

Our products (feed and processed shrimps) have a strong brand recall due to the high-quality standards and supply reliability. Our feed has high nutritional value, facilitating cost-effective shrimp growth. Our processed shrimps are antibiotic-free and certified by leading global certification agencies.

Wide product range

We offer a wide range of processed shrimps that meet the diverse requirements of customers globally. With over 23 years of experience in the production of Shrimp feed, we offer shrimp feed in multiple sizes (for different stages of shrimp growth) under the brand VANNASTAR.

Strategically located

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

Our Global Presence



Map not to scale. For illustrative purpose only.

- 30+**
Years of experience
- 20+**
International Customers
- 30+**
Domestic Customers
- 225**
Employees
- 50**
Farmer Relationships
- 10+**
Countries of export
- 13**
Product varieties
(10 raw and 3 cooked)

Well-integrated farmer network

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

Favourable business environment

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

Vertically integrated

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

Large farm area

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



Business Verticals Across the Value Chain

Hatchery



Capacity: 400 million seedlings per annum

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

Key developments FY 2020-21

- Made capex investments to improve biosecurity and reduce risk of disease transmission
- Reduced scale of operations due to supply chain disruptions caused due to COVID-19. Cancellation of international flights resulted in less availability of broodstock for import.
- Improved the efficiency of existing nursery systems to subsequently boost farming operations

Farm



Capacity: 2,000 tonnes shrimp per annum

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

Key developments FY 2020-21

- Took measures to improve the biosecurity at the farm. This reduces risk of disease transmission and shrimp mortality in farm operations.
- Introduced automatic feeding machines to reduce the dependency on manpower and to improve the feeding efficiency.

Our extensive product range



- Raw White Shrimp**
 Raw Head-On Shell-On (HOSO)
 Raw Headless Shell-On (HLSO)
 Raw Headless Easy Peeled
 Pooled and De-veined Tail-On (POTO)
 Peeled and De-veined Tail-Off (PDO)
 Peeled and Un-De-veined (PUD)
- Cooked White Shrimp**
 Cooked Headless Shell-On
 Cooked Peeled and De-veined Tail-On
 Cooked Peeled and De-veined Tail-Off
 Cooked Peeled and Un-De-veined (PUD)
 Cooked Head-On

Feed Mill



Capacity: 20,000 tonnes per annum

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

Key developments FY 2020-21

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

Capacity: 7,500 tonnes frozen shrimps per annum

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

Processing Unit



Key developments FY 2020-21

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

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

- Increased value of exports to lucrative markets like USA and lowered sales to China to ensure that smooth operations took place despite the international crisis that prevailed during most of the financial year.
- Significant investment was made in upgradation of critical plant and machinery to enhance operational efficiency and lower running costs.
- Set up auxiliary centres to increase pre-processing facilities / capacities through long-term agreements with third parties. These arrangements helped in delivering required outputs while maintaining social distancing norms.

Product quality certifications



EIC
HACCP
ISO 22000 : 2005
BRC - A Grade
FDA
BSCI
BAP 4 Star
EU approved

Letter from the Managing Director



Dear Shareholders,

I am pleased to present to you our annual report for FY 2020-21. Your company has withstood yet another difficult year amidst the bleak scenario worldwide, and shown a steady improvement in its performance. Our total profit increased by 45% and sales increased by 25.5% when compared to the previous year.

This has been possible with the support of our employees, our strong knowledge of the industry, long standing relationships with vendors and customers, and timely decision making.

I am thankful to God and all our well-wishers that nothing untoward has happened to any of the members of the SIL family at a time when we have been hearing of irreparable losses such as loss of lives. To protect our employees during the Pandemic, the company took all the necessary measures such as distributing immunity boosting medicines, sanitising all locations, maintaining social distancing and making the wearing of masks at the workplace compulsory. Some categories of staff were permitted to work from home, and some employees were instructed

to work on alternate days, to reduce crowding at the work premises. Vaccination camps were conducted in the company premises and an awareness was created about the pandemic and the preventive and therapeutic measures to be taken to safeguard their health.

Alongside focussing on protecting our workforce, and sustaining our performance, we have upgraded our plant and machinery with a view to varying our product range and tapping new markets. As a result of the unprecedented global situation and economic conditions, some countries and buyers closed their doors to products from India. The company identified new buyers and markets, and resumed business. The company has increased its production capacities and implemented several cost controlling measures in its daily operations. As in the case of any new and difficult situations, the company has reset its goals and priorities to overcome the challenges.

Glancing back at the year gone by, I can say with reasonable confidence that we have successfully countered every challenge to emerge

steadier and stronger. I thank all our stakeholders who have supported us now and always. I extend my deepest appreciation to our supply chain partners and committed employees who displayed immense resilience in these testing times. Finally, I am grateful to all our shareholders for your belief in us. With your continued support, we seek to scale greater heights.

Warm regards,

S. Prasad Reddy
Managing Director

Letter from the Executive Director

Dear Shareholders,

A year has gone by and what a year it's been! FY 20-21 saw the world witness a global pandemic (COVID-19) and with that came months of hardship and challenges for everyone. A vast majority of the Indian economy and several leading nations came to a virtual standstill for brief spells before eventually embarking on a journey to rebuild. The aquaculture and exports segment were impacted during parts of the year but saw a revival after the initial spell of lockdowns.

Despite the effects of the pandemic and significant uncertainty in many domains, I am happy to report that your company delivered a strong performance registering a growth of more than 25 percent when compared to the previous financial year! Dynamic decision making aided by support from the company's reliable work force and it's supply chain partners enabled significant improvement in key areas to mitigate the impact of COVID in its operations. Your company's wealth of experience

in the field and its unwavering focus on delivering quality products enabled improved performance and also registered renewed demand from its customers, despite the prevailing circumstances. This is testament to the efforts and investment made, in this regard, over the years.

With the company's international customer base spread across the world, we were in a position to adapt to the volatilities of a price-sensitive market swiftly and circumvent potential congestions in our supply chain. When the first COVID-19 lockdown was imposed last year forcing everyone to stay at home, the demand for ready-to-cook and ready-to-eat segments grew by nearly 20% in many global markets. One of the positive changes that came about with the pandemic is a shift in consumers' perspective towards the concept of frozen food and we regard this a significant step towards the growth of a segment that hadn't received sufficient traction / attention in the past. Your company has foreseen this trend and has made substantial



progress by positioning itself to capitalise on the same over the next few years. Our ability to produce high quality, retail-packed frozen shrimp products that have gained international repute will give us an edge in the domestic market in the future.

As India's oldest integrated aquaculture player, our scale, integrated operations and superior product quality gives us a competitive advantage. However, the need of the hour for us will be to step up the efforts to ensure long-term sustainable growth while ensuring value creation for shareholders. The company intends to leverage information and technology to harness its potential in multiple parts of its supply chain. We are confident that these principles and strategies will give the company an edge over the competition during the short and long term. We will continue to explore opportunities for investment in



infrastructure and also develop strategic partnerships to further strengthen our supply chain.

Technology up-gradation has consistently been an area of high focus for the Company. In the recent past, your company had made substantial investments in creating a digital platform for exchange of operational information. This enabled access to real-time data across several verticals of the organisation, improving efficiency across the entire value chain. This broad framework played a crucial role in facilitating dynamic decision-making.

We recognise that the seafood industry is expected to grow steadily at 2.5% CAGR during 2020 to 2027. As a result of supply chain issues in several seafood producing nations and a global shift in consumers' mindset towards frozen products, the global demand for quality seafood is now expected to be higher than ever. Our company's goal is to capitalise on this demand by rapidly increasing the capacity utilisation of its resources across the supply chain, with a core

focus on operational profitability. Taking this into consideration, we look forward to a bright future.

On a closing note, I thank all our stakeholders for their unstinted support. Having completed 31 years in the aquaculture industry, we take pride in being a steady player in an industry that has otherwise seen volatility over the first few decades. We are grateful to our shareholders for their support and patience despite your Company's shares being suspended from trading for two decades. We had taken consistent efforts to revoke this suspension and in July of 2019, these efforts were successfully fructified. This comes at a time, when the Company is getting ready for its next phase of growth. Our focus now will be to live up to your expectations and deliver healthy and sustainable performance with aggressive growth strategies in the next few years.

I also thank our team who has worked hard in building a stable organisation; One that has exhibited the robustness in its operations by delivering steady

growth during a difficult period for the industry. Your Company is now well-poised for growth and we remain committed to the same.

Finally, I request the shareholders to follow the necessary procedures to dematerialise their shares and continue to trust us as we are confident of delivering growth despite the economic turmoil caused by the pandemic.

Warm regards,

S. Sharat Reddy
Executive Director

Management Discussion and Analysis Report

Global Economic Review

As per the International Monetary Fund (IMF), the global economy delivered a degrowth of -3.2% in Calendar Year (CY) 2020, as against a growth of 2.8% in CY 2019. COVID-19 caused a significant disruption to global economies and several countries are still reeling from the impact of the same. Apart from the pandemic, factors such as heightened trade barriers between the United States and China, geopolitical tensions around Brexit, weather-related disasters, and country-specific shocks in the emerging economies also contributed to degrowth of economies.

Gross Domestic Product (GDP) Growth

Particulars	2019	2020	2021 (P)	2022 (P)
World	2.8%	-3.2%	6.0%	4.9%
Advanced Economies	1.7%	-4.6%	5.6%	4.4%
Emerging Markets and Developing Economies	3.7%	-2.1%	6.3%	5.2%
India (Financial Year)	4.2%	-7.3%	9.5%	8.5%

Source: World Economic Outlook July 2021 Report

The outbreak of Novel Coronavirus (COVID-19) towards the end of CY 2019 and the rapid spread across the globe during 2020 further dampened the world's GDP growth and protracted economic recovery. In this backdrop, the IMF stated that the global economy contracted by -3.2% in CY 2020. However, it projects strong growth recovery at 6.0% in CY 2021 citing the positive impact of sizeable fiscal and monetary relief packages undertaken across the globe and normalising trade activities post lockdown relaxations.

Source: World Economic Outlook July 2021 Report

Indian Economic Review

The Indian economy, amidst the global slowdown, delivered lacklustre GDP degrowth of 7.3% in FY 2021 as against a growth of 4.3% in FY 2020. The de-growth was primarily on account of the global pandemic and the disruptions caused by it. Other factors that contributed to the de-growth include: significant contraction in consumer demand due to macro-economic factors such as non-banking financial distress, stagnated rural wages and rising unemployment rates. On the supply side, availability of excess idle production capacity, declining corporate profitability, and infrastructure bottlenecks resulted in low private investments and consequently fell short to revive the languishing economy.

Year-wise Indian GDP Growth (In %)

Real GDP growth (Annual %)	FY 2019	FY 2020	FY 2021 (P)	FY 2022 (P)
India	4.2%	-7.3%	9.5%	8.5%

While the Government of India announced several reformative initiatives to regain the country's growth momentum, the COVID-19 outbreak towards the end of FY 2020 caused widespread

disruptions to the economy. To facilitate the nation in battling the economic and health crisis, the Government announced an economic stimulus package of Rupees 20 lakh crore under the 'Self-Reliant India Movement', equivalent to 10% of India's GDP. The focus of the movement is to support the underprivileged, the SME sector and to revive the economy by promoting the use of local goods and services.

In the backdrop of challenging economic conditions, the IMF had projected the Indian economy to deliver GDP de-growth of 7.3% in FY 2021. However, considering the re-opening of Indian economy post lockdown restrictions and expected positive impact of the government's stimulus, IMF projects GDP growth to rebound at 8.5% in FY 2022. The impact of the government's proactive initiatives and stimulus are already visible with the Indian economy recovering faster than expected since the second half of FY 2020-21 fiscal. All key performance indices are showing upward movement. Global firms like Morgan Stanley and Goldman Sachs are bullish on the Indian economy and expect a strong rebound.

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

Industry Review

Global Seafood Industry

As per the report by Allied Market Research, the global seafood industry, which was valued at US\$ 159.3 billion in 2019, is estimated to witness compounded growth of 2.5% to reach US\$ 193.9 billion by 2027.

With the limitation on a further production increase via capture fishery due to overfishing,

demand for aquaculture has steadily increased over the last two decades. It is expected to grow from the current 47% to 52% by 2029 as per OECD-FAO Agricultural Outlook 2020-2029.

Growth drivers of the seafood industry

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

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

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

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

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

COVID-19 Impact

The global breakout of the COVID-19 pandemic and ensuing lockdowns announced across the globe significantly disrupted global supply chains, manufacturing operations, and posed severe logistical constraints. These

coupled with trade restrictions and prolonged shutdown of the foodservice industry significantly impacted the global seafood industry. However, with easing lockdown and trade restrictions, the market is expected to regain its momentum.

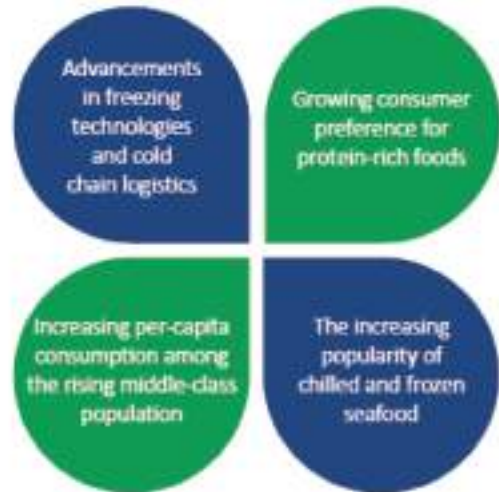
Global Shrimp Market

Globally, shrimp continues to be one of the most popular seafood products due to its high nutritional value. In value terms, it forms a major part of international seafood trade at ~18%. In 2020, global farmed shrimp production stood at 3.8 million tonnes, which is 15% lower than the production in 2019. Global shrimp trade in 2020 was characterized with good consumption and strong imports in the United States of America, the single largest world market for shrimp. By offering stable supplies at cheaper prices, Ecuador captured a larger share of the US and European markets. In the second largest market, China, import declines were negligible from Ecuador but significant from Asian sources. Despite strong increases in Ecuadorian production, total world farmed shrimp production declined by 600 000 tonnes. Supply Affected by the COVID-19 pandemic, global production of marine farmed shrimp in 2020 was nearly 15 percent lower year-on-year. The decline was 20 percent from Asian sources but production increased by 22 percent in Latin America because of the significant rise in Ecuador's harvest

(Source: Fao.org)

COVID-19 led disruptions had significantly impacted shrimp demand in international and domestic trade during the initial parts of 2020. Citing lower demand scenario and manufacturing and supply chain disruption as key reasons, ICRA Report had forecasted global shrimp production to contract by 20% in 2020. With closures of food catering services globally, the ongoing pandemic had also significantly shifted consumer preference to home cooking, increasing grocery offtakes and higher demand for frozen, canned and other value-added shrimp products.

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



Indian Seafood and Shrimp Industry

India is the fourth-biggest seafood exporter in the world. Over the last decade, India's export of seafood products has significantly increased from US\$ 2.9 billion in FY 2010-11 to US\$ 6.7 billion in FY 2019-20, implying a healthy compounded growth of ~10%. (Source: mpeda.gov.in). However 2020-21 saw a decline of 10% on these figures owing to COVID and associated factors. Production and sales are expected to improve in the subsequent years.

Within total exports at US\$ 5.95 billion during the year, shrimp continued to retain its dominant position in the overall basket of seafood products, commanding a market share of 74.3% in value terms.

India's Item wise Export of Marine Products in US \$ terms, during the FY 2020 -21

Frozen Shrimp	4426.19	74.30
Frozen Fish	402.31	6.75
Frozen Cuttle Fish	221.97	3.73
Frozen Squid	273.37	4.59
Dried Item	156.94	2.63
Live Items	32.72	0.55
Chilled Items	65.14	1.09
Others	378.3	6.35
Total	5956.94	100.00

While the USA continued to be the largest importer of Indian frozen shrimp exports, commanding 44% market share by quantity, China is emerging as the prominent seafood export destination over the past few years. This is followed by Europe, Japan, and South-East Asia.

Indian Sea Food Export - Country-wise

Sea Food Export	FY 2020-21 (In Thousand MT)	% market share
The US	285.9	43.8%
China	145.7	22.3%
European Union	74	11.3%
Japan	38.9	6.0%
South-East Asia	34.4	5.3%
Middle East	32.6	5.0%
Others	40.5	6.2%
Total	652	99%

Source: mpeda.gov.in

Indian Aquafeed Industry

With favourable climatic conditions, presence of significant biodiversity, and strong demand for Indian seafood market, the

Indian aquaculture industry has witnessed exponential growth over the years. This, in turn, has created a significant demand for production and consumption of aquafeed. As a result of the impact of COVID on the aquaculture supply chain, the shrimp feed industry saw a 10 percent decline in production and sales figures due to reduced shrimp production in the country. These figures are expected to increase in the next financial year owing to an overall revival of the industry.

Growth drivers for Indian shrimp feed market

Rising Indian shrimp demand in the global markets

Rising awareness among farmers regarding higher shrimp production while improving their nutrient profile

Commercial feed facilitating shrimp production that meets international quality standards and thereby increase quality of shrimp for export

Implementation of modern production technologies enabling domestic shrimp producers to formulate better quality shrimp feed with locally produced raw materials

Backed by the structurally positive tailwinds, Indian shrimp feed industry is estimated to deliver a compounded annual growth rate of 10% during FY 2019-24, reaching production of 1.8 million tonnes by FY 2024.

Outlook

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

crore mark by FY 2030.

While 2020-21 saw several trade related issues between India and China, in the long term, China continues to present great growth potential for frozen shrimp as India stands as the third-largest player in the Chinese seafood imports after Russia and Ecuador and commands only a minor share in the US\$ 15 billion market. Shrimp export to Japan is also expected to rise due to improved black shrimp quality and relaxations in sampling norms for the quality check.

The Indian shrimp feed industry is well poised to benefit from the rising global and domestic shrimp demand and the government's policy support. Backed by these advantages, Research and Markets estimates it to grow at a compounded annual growth rate of 10% during FY 2019-24 and touch production mark of 1.8 million tonnes by 2024, registering a healthy CAGR of 10% during FY 2019-24.

Company Overview

Establishing its roots back in 1990, Sharat Industries Limited (the Company) stands as India's oldest integrated aquaculture company. It pioneered Vannamei (white shrimp) breeding and culture in India which played a pivotal role in reviving the country's aquaculture industry. Today, it has operations across the entire value chain of the shrimp industry and offers world-class products through its four business divisions.

Business Divisions and Offerings

Business Divisions	Capacity	Product Offerings	Unique Features
Hatchery	400 Million Seedlings / Annum	Vannamei seedlings	Specific pathogen-free (SPF) broodstock are used to ensure the best quality and disease-resistant seedlings
Shrimp Farming	2,000 Tonnes Shrimp/Annum	500 acres of land located on the coast of the Bay of Bengal	Proximity to sea and well-planned interlocking canals ensure uninterrupted seawater supply
Shrimp Feed	20,000 Tonnes/Annum	Brand VANNASTAR	High quality and nutritional shrimp feed widely accepted by farmers
Shrimp Processing	7,500 Tonnes Frozen Shrimps/Annum	13 varieties of raw and cooked shrimp products	The state-of-the-art plant equipped with sophisticated processing equipment. Ensures antibiotic-free and high quality processed products

Operational Review

Product-wise Performance

Rs. in Crs

Particulars	FY 2021	FY 2020
Shrimp Export	163.32	108.06
Sale of shrimp Feed	47.46	51.76
Miscellaneous income	42.05	41.88
Total	252.83	201.70

COVID-19 impact on operations of the Company

Impact of COVID-19 on the Company's financial and operational performance in FY 2021 was significant during the first lockdown that took place in the first quarter of the financial year. However, through accurate forecasting and quick decision making, the company was able to bounce back significantly in the second quarter and delivered an increase of more than 40% in sales. During the second half of the financial year, the company continued its strong performance before eventually registering a total growth of 25% in sales revenue when compared to the previous financial year.

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

The Company had taken, and continues to take, all precautionary measures to safeguard the health and wellbeing of its employees.

It had also made efforts in roping in additional manpower in anticipation of future requirements. As a result of all these efforts, the Company has performed well so far.

Financial Performance

Key Financial Highlights for the Year (Rs. in Crore)

Particulars	FY 2021	FY 2020
Total Revenue	252.83	201.70
Total Expenses	248.94	199.11
EBITDA	13.08	13.30
PAT	2.62	1.80

Opportunities and Threats

Opportunities

Rising global demand for Indian Shrimp: With the rising demand for a healthy and protein-rich diet, improvement in supply chain efficiencies, and coldstorage logistics, the global demand for shrimps continues to witness increasing demand.

Improvement in shrimp quality: Despite new diseases arising every year in shrimp farming, technological advancements, seamless information sharing, modern farming techniques, and improved quality of feed are reducing their risk levels. Improving shrimp safety and quality are expected to result in higher product offtake and enable superior product pricing.

Proactive policy support by the government: The central government and Andhra Pradesh government have introduced various schemes, benefits to exporters and farmers, and subsidies to promote aquaculture, food processing, and cold chain infrastructure. These are expected to benefit the entire value chain of the Indian shrimp industry. This will assist in accelerating the industry's exports and significantly enhance its global competitive position.

Benefits of adhering to sustainable practices: The integrated nature of the Company's operations and strict adherence to sustainable farming and food processing enables it to produce safe and high quality shrimp products. This consequently helps in fetching premium valuation for its products in exports market, resulting in superior profitability.

Growth in shrimp farming activity: Leveraging the vast coastline of the country and suitable business conditions, shrimp farming areas are witnessing rapid growth in India. This, in turn, is creating a substantial growth potential for the shrimp feed market.

Increasing domestic consumption: Rising popularity of the frozen shrimp in the Indian domestic market along with the rapid increase in cold chain facilities across the country is expected to increase shrimp demand.

Threats

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

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

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

Volatility in shrimp prices affecting stock value: With shrimp becoming increasingly

commoditised, any delays in order fulfilment or inventory mismanagement may severely affect the value of the open stock and consequently impact the Company's profitability.

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

Risks & Concerns

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

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

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

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

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



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

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

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

Human Resources

The Company acknowledges the significance of human resources in achieving its long-term business goals. Keeping cognizance of this, it has developed a comprehensive set of policies that promote a safe, conducive and productive work environment while ensuring growth opportunities based on meritocracy. This has enabled the Company to build a strong and dedicated workforce. The Company ensures equal access to opportunities in the areas of recruitment, training, career development and advancement regardless of their gender, age, racial/ ethnic background, religion or social status.

The Company continually conducts training programmes at its facilities with the assistance of external experts and agencies. Employees are updated on best practices that are followed across each business division through regular external programmes. Frequent audits for high-quality certification for each facility ensures that the Company is abreast with the latest requirements of the aquaculture industry.

Internal Control Systems & their Adequacy

The Company has adequate and well-defined internal control systems for all its operational and financial functions. It ensures proper maintenance of accounting records, reliable financial reporting and safeguards assets against unauthorised use. The internal controls are reviewed periodically by internal auditors and the management team, ensuring timely compliance with regulations and accurate monitoring of its adequacy.

Cautionary Statement

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

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS:

Particulars	Year Ending 31.03.2021 (Rs. In Lakhs)	Year Ending 31.03.2020 (Rs. in Lakhs)
Revenue from operation	25,097.77	19,999.24
Other Income	185.61	170.88
Profit before Depreciation and Interest	1,308.66	1,330.02
Less: Interest – finance cost	578.40	732.43
Depreciation	340.84	338.88
Profit Before Exceptional items and Tax	389.42	258.71
Exceptional items	-	-
Provision for Tax	130.94	81.59
Profit after Tax	258.47	177.11
Other comprehensive income net of tax.	3.15	3.07
Total comprehensive income for the year	261.62	180.18

2. SUMMARY OF OPERATIONS & STATE OF COMPANY AFFAIRS:

The turnover of the company for the year ended 31st March, 2021 was Rs. 25,097.77 lakhs against Rs.19,999.24 lakhs in the previous year. During the year the company made sales of Rs. 23,462 lakhs against Rs. 18241.41 lakhs in the previous year, Job work receipts of Rs. 487.03 lakhs against Rs. 817.82 lakhs in the previous year and during the year the company has made an operating profit before tax of Rs. 389.42 lakhs against Rs. 258.71 lakhs in the previous year. The company's sales are increased by 28.62% and job work sales are decreased by 40.45% as compared to the previous financial year.

Sharat Industries Limited, is one of the very few companies in India which has all 4 divisions located within a 5 kilometer radius. All the divisions work together to ensure that there is continuous production throughout the year despite pre-existing seasonality in the business in general. This results in high quality produce due to quick processing and reduced logistics. The Company has invested significantly in the capex of its farm and processing divisions in recent years to further boost the production capacity.

The shortfall in market demand during the year and price fluctuations were the key factors for inappreciable profits. The company is exploring alternate market facilities to increase export

volume and lower operating costs. The directors are confident that the performance of the company will improve in the years to come.

3. SHARE CAPITAL:

The Authorized share capital of the company as on 31st March 2021 is 50,00,00,000/- divided into 3,00,00,000 equity shares of Rs. 10/- each and 20,00,000 redeemable preference shares of Rs. 100/- each.

The paid-up share capital of the company as on 31st March 2021 is 22, 01,25,000 comprising of 2,20,12,500 of Rs. 10/- each. During the year under review the company has not issued any shares.

4. DIVIDEND:

In order to retain the profits to strengthen the capital base and improve the liquidity of the company, no dividend has been recommended by the Board for the financial Year ended 31st March 2021.

5. TRANSFER TO RESERVES:

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the Year under review.

6. CREDIT RATING:

The credit rating of the Company remained unchanged during the financial year under review.

7. LISTING OF SHARES:

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

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:

There have been no material changes and commitments, which affect the financial position of the company that have occurred between the end of the financial year to the date of this Report.

10. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

In accordance with Section 134(5) of the Act, the Company has Internal Financial Control Policies by means of policies & procedures commensurate with size and nature of operations. The Company's policies, procedures & standards are developed to uphold internal controls across the organisation. These controls ensure transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The controls were tested during the year and no material weakness exists. Audit Committee of the Board, periodically reviews the internal audit plans and observations/recommendations of Internal and Statutory Auditors. In accordance with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

11. EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) the Companies Act, 2013 and rule 12(1) of the companies (Management and Administration) Rules, 2014, as amended an extract of Annual Return in prescribed form MGT 9 is annexed as ANNEXURE II. The Annual return, forming part of the Annual report of the company is available in the Company's website www.sharatindustries.com.

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

Your Company has no Subsidiary/ Associate/ Joint Venture Companies as on 31st March, 2021.

13. 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

14. STATUTORY AUDITORS:

M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No:009805S), were appointed by Share holders in the Annual General Meeting for a period of 5 years from the conclusion of 27th Annual general Meeting to the conclusion of 32nd Annual General Meeting.

The report of the Independent Auditors along with the notes and Schedules are annexed to this report.

15. AUDITORS' REPORT, OBSERVATIONS AND REPLIES:

The Statutory Auditors report for the Financial Year 2020-2021 does not contain any qualification, reservation or adverse remark.

16. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointment of Mr. Harihar Venkata Muthyam (DIN: 08160011) as Additional (Non Executive - Independent) Director:

Mr. Harihar Venkata Muthayam was appointed as the Additional (Non Executive Independent) Director by the Board of Directors by passing a Circular Resolution on 28th September, 2020.

Resignation of K. Sreeram Reddy, Independent Director (DIN: 08600893):

Mr. K. Sreeram Reddy Independent Directors resigned from the Board with effect from 12.11.2020 due to their professional preoccupation.

Appointment of Mr. P. Shanmugam (DIN: 08877587) as Additional Director:

Mr. P. Shanmugam was appointed as Additional Director (Non Executive and Non Independent Director) by the Board of Directors in the meeting of the Board of Directors held on 12th November, 2020 with effect from the same date.

At the 30th Annual General Meeting of the company held on 30.12.2020:

- a. Mr. S. Prasad Reddy has been re-appointed as Managing Director of the company to hold office for a term of 5 years up to 29.12.2025.
- b. Mr. S. Sharat Reddy has been re-appointed as Whole Time Director of the company to hold office for a term of 5 years up to 29.12.2025.
- c. Mrs. Durga Thota was re-appointed as Independent Director of the company for a Second term of 5 consecutive years up to 29.12.2025.
- d. Mr. Ch. Kishore Kumar was appointed as Independent Director of the company to hold office for a term of 5 years up to 29.12.2021.
- e. Mr. Harihar Venkata Muthyam was appointed as Independent Director of the company to hold office for a term of 5 years up to 29.12.2021.
- f. Mr. P. Shanmugam was appointed as Director of the company to hold office for a term of 5 years up to 29.12.2021

RETIREMENT BY ROTATION:

Mr. P. Shanmugam (DIN: 08877587) retires by rotation at the forthcoming 31st Annual General Meeting and being eligible offers himself for re-appointment.

CHIEF FINANCIAL OFFICER

Mr. B. Durga Prasad was appointed as the Chief Financial Officer of the company by the Board of Directors in the meeting held on 26th June, 2020.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. B. Vignesh Ram was appointed as the Company Secretary and Compliance officer of the company with effect from 01st October, 2020 in the Board Meeting held on 30th September, 2021.

17. DECLARATION FROM INDEPENDENT DIRECTORS:

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Independent Directors have also complied with the Code of Conduct prescribed in Schedule IV to the Act.

In accordance with Companies (Appointment & Qualification of Directors) Fifth Amendment Rules, 2019, Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs.

Information on familiarization program to Independent Directors is provided in the Corporate Governance Report section of this Annual Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that the financial statements for the year ended March 31, 2021 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act, and that of guidelines issued by SEBI, to the extent applicable to the Company along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2021 and of the profit of the company for the year ended on that date ;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. NO. OF MEETINGS OF THE BOARD:

During the Financial Year under review the Board of Directors of the company meet Six times during the financial year 2020-2021 on 18th May, 2020, 26th June, 2020, 26th August, 2020, 30th September, 2020, 12th November, 2020 and 09th February, 2021.

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

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

As on 31st March 2021, the Board consists of 6 (Six) members, of which 3 (Three) are Independent directors, 2 (Two) are executive directors and 1 (one) is Non-Executive Director. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 (the Act) and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report.

21. AUDIT COMMITTEE:

Your Company has an Audit Committee pursuant to the requirements of the Act read with Rules framed there under and SEBI (LODR) Regulations, 2015. The details are relating to the same are given in the report on Corporate Governance forming part of this Report. During FY2020-21 the recommendations of Audit Committee were duly accepted by the Board.

22. VIGIL MECHANISM/ WHISTLE – BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sharatindustries.com

23. RISK MANAGEMENT:

The risk management is based on the clear understanding of the variety of risks

that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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

a. Conservation of energy

(i)	the steps taken or impact on conservation of energy	Project taken 11 KV conversions to 33 KV. Implemented dedicated feeder line provided from bay extension incoming APSPDCL substation. As per APSPDCL norms we erected the bay extension provision, metering yard & consumer yard with 3000KVA -33/433 transformer with 1250KVAR APFP panel. Taken CMD (contract maximum demand) of 1650KV at 33KV supply incoming feeder to our premises
(ii)	The steps taken by the company for utilizing alternate sources of energy	Purchased 2 no's 250KW HS Mycom screw compressors and 1 no's 75KW of LS screw compressor and 1 no's of 250KW compound compressor with 2000KW evaporative condenser erection and commission completed. This will support us reach 22 to 24 MT per day finish good at daily operations.



(iii)	the capital investment on energy conservation equipment's	We are in a process for NET/ABT metering schedules. Expecting the active process another 2 to 3 months
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b. Technology absorption : NA

(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
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
(iv)	the expenditure incurred on Research and Development

25. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Foreign Exchange Earnings: 152,04,80,007

Outgo: 2,20,88,303

26. 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.

27. 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-VI

28. DEPOSITS:

During the year under review, your Company has not invited or accepted any deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under.

29. 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 forming part of this report.

30. 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)

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

During the year under review, your company has not given any loan, guarantees or made

any investment, as covered under section 186 of the Companies Act, 2013.

32. 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

33. SECRETARIAL STANDARDS ISSUED BY ICSI:

Pursuant to the provisions of Section 118 (10) of the Companies Act, 2013, compliance with secretarial standards relating to General Meeting and Board Meeting specified by the Institute of Company Secretaries of India (ICSI) as approved by the Central Government is mandatory effective from July 1, 2015. The Company is adhering to the standards issued by the ICSI.

34. ANNUAL SECRETARIAL COMPLIANCE REPORT:

Annual Secretarial Compliance report for the Financial Year ended 31st March, 2021 on the compliance of all applicable SEBI regulation and circulars/guidelines was issued by Mr. Sundar Venkataraman, Practicing Company Secretary, and the same was filed with the BSE Limited in adherence to the statutory timeliness.

35. SECRETARIAL AUDITOR:

Mr. Sundar Venkataraman, Practicing Company Secretary conducted the Secretarial Audit for the Financial Year 2020-2021. The Secretarial Audit report in Form MR.3 for financial year 2020-2021 is annexed herewith as Annexure – I.

The Secretarial Audit report for the financial year ended 31st March, 2021 contains qualifications and clarification by the Board is as follows:

I Observation: The Company has paid a penalty of Rs. 5000/- levied by SEBI for non-compliance of Regulation 29(1) (a) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

Response: This was due to some technical issues, which was completely out of the control of the Company. Further the Company has taken few steps to avoid these kinds of deviations.

II Observation: The Company has paid a penalty of Rs. 10, 62,000/- for non compliance of Regulation 17(1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

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

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



BSE after considering the facts vide its email dated 16th April, 2021 waived the penalty paid by the Company and we are awaiting refund of the same.

- III Observation:** Company is not in position to maintain 100% Shareholding of promoters in dematerialized form.
- IV Observation:** Company has not complied with procedure for reclassification of Promoters as required under Regulation 31A of SEBI (LODR) Regulation, 2015.
- V Observation:** Company has not complied with the Regulation 40 of SEBI (LODR) Regulation, 2015 regarding transfer of securities between promoters of the company.

Responses: Few shareholders of the Company belonging to the Public Category were inadvertently classified as the “Promoters” of the Company. Subsequently, the Company took steps to rectify the same by reclassifying the same by following the steps as envisaged under the provisions of Regulations 31A of SEBI (LODR) Regulations, 2015. However, most of the shareholders were not traceable and hence we once again approached SEBI seeking guidance for rectifying the same and through BSE Limited we were advised to file application under Regulation 102 of SEBI (LODR) Regulations, 2015 seeking dispensation with the strict compliance with the provisions of Regulation 31A of SEBI (LODR) Regulations, 2015. Accordingly, the Company had filed an application under Regulation 102 of SEBI (LODR) Regulations, 2015 on 26th May, 2021 along with the fees of Rs. 1,00,000/- and we are awaiting the outcome of the application filed by the Company. Due to the inadvertent classification of the public shareholders in the Promoter category there were instance where the Company

was not able to adhere to the maintenance of 100% shares of the members belonging to the Promoter and Promoter Category in Demat form. However, the actual promoters of the Company are Mr. S. Prasad Reddy, Mr. S. Sharat Reddy , Mrs. S. Devaki Reddy and Mrs. S. Charita Reddy and the shares held by them are maintained in the Demat form

36. INTERNAL AUDIT:

During the Financial Year under review there were no change in the Internal Auditors of the Company. The Internal Auditors of the Company M/s. SSRG & Associates (FRN: 016752S), Chartered Accountants submitted the Internal Audit Report to the Audit Committee.

37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report of the company for the year under review as required under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given as separate statement in Annual Report.

38. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/COURTS:

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

39. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

To prevent sexual harassment of women at work place, a new act the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013 and every company is required to set up an Internal Complaints Committee to look into complaints

relating to sexual harassment at work place of any women employee.

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

40. 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.

41. PREVENTION OF INSIDER TRADING:

The Company has a policy viz., Code of Conduct to regulate, monitor and report trading by designated person and same has

been posted on the website of the company www.sharatindustries.com

42. 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.

43. FINES LIVED BY SECURITIES EXCHANGE BOARD OF INDIA (SEBI):

During the Financial Year under review the Company had penalty to the BSE on two occasions.

i. For non – Compliance with the provisions of Regulations 29 (1) (a) of SEBI (LODR) Regulations, 2015

– An amount of Rs. 5,000/- was paid by the Company for delay in furnishing the prior intimation to the BSE. There was a delay by one day and the Company had paid a penalty of Rs. 5,000/-. This was due to some technical issues that was completely out of control of the Company. Further the Company had taken steps to avoid these kinds of non-compliance in future.

ii. For non – Compliance with the provisions of Regulations 17 of SEBI (LODR) Regulations, 2015

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

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

BSE after considering the facts vide its email dated 16th April, 2021 waived the penalty paid by the Company and we are awaiting refund of the same.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge with thanks the constructive guidance and co-operation extended by MPEDA, Banks and Government of Andhra Pradesh, Tamil Nadu and also to employees at all levels, suppliers, dealers and customers for their strong support.

Your Directors also thank the shareholders for their continued confidence and trust placed by them with the Company.

FOR AND BEHALF OF BOARD

-sd/-

S. Prasad Reddy
Managing Director
DIN: 00069094

-sd/-

S. Sharat Reddy
Executive Director
DIN: 02929724

Place: Chennai

Date: 12th August, 2021

Annexure - I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2021

[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
Chennai

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/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 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:

- (a) all the documents and records made available to us and explanation provided by SHARAT Industries Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) and supporting documents, returns ,filings which has been relied upon to make this certification
- (e) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) 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;
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (l) and the circulars/ guidelines issued there under;

(vi) I further report that based on the Management representation/s from the Company and its Management the company is in compliance during the review period, viz financial year 2020-21 with & in respect of the various **Laws, Enactments, Legislations and Regulations & Rules as applicable to Manufacturing Industries & also 'Industry SPECIFIC' as follows;**

1. Coastal Aquaculture Authority Act, 2005
2. Indian Fishers Act, 1897
3. Marine Products Export Development Authority Act, 1972

4. Employees State Insurance Act, 1948
5. Employees provident fund act 1952
6. The Contract Labour (Regulation and Prohibition) Act, 1970
7. Child Labour Act, 1986
8. Industrial Employment Standing Orders Act 1946
9. Employees Compensation Act, 1923
10. Apprentices Act, 1976
11. Equal Remuneration Act, 1976
12. Employment Exchange Act, 1956
13. Interstate migrant workmen Regulation of Employment and condition of service act 1979
14. Payment of Wages Act, 1936
15. Minimum Wages Act, 1948
16. The Payment of Bonus Act, 1965
17. Sexual Harassment of Women at Work place (prevention, prohibition and redressal) Act, 2013
18. The Maternity Benefit Act, 1961
19. Factories Act, 1948
20. Hazardous Waste (Management and Handling and trans boundary Movement) Rules, 2008
21. Water (prevention and control of pollution) act 1974
22. Air (prevention and control of pollution) act 1981
23. Factories Act, 1948
24. Food Safety & Standards Act, 2006
25. Legal Metrology Act, 2009
26. Prevention of Food Adulteration Act, 1954
27. Prevention and control of Infectious and Contagious Diseases in Animals Act 2009. I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Mumbai.,



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:[as appended here below and marked in 'Italics']

And based on the above examination, we hereby report that, during the Review Period[financial Year 2020-21, FY ending 31st March 2021:

- a] **The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below: -**

S.No	Compliance Requirement	Deviations	Observations/ Remarks
1.	Regulation 29 (1) (a) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to intimate Stock Exchange 5 days in advanced regarding the Board Meeting in which the Financial Results to be considered.	Due to technical issues faced by the company there was a one-day delay in complying with Regulation 29 (1) (a) of SEBI (Listing of Obligation and Disclosure Requirement) Regulation, 2015.	Company has paid a penalty of Rs. 5000/- levied by SEBI for non-compliance of Regulation 29 (1) (a).
2.	With effect from 1 st April, 2020 Regulation 17(1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 states that Top 2000 Listed Company based on Market Capitalization requires at least Six Directors on the Board of the Company.	The Company had only 5 Directors on the Board till 29 th September, 2020.	Due to Various Lockdown imposed by Central and State Government the company was not in position to comply with Regulation 17(1) (c) from the period of June, 2020 to September, 2020. The non-compliance was remedied immediately the lock down was lifted. BSE has levied a penalty of Rs.10,62,000/- for non-compliance till the date of remediation of the non-compliances. However, based on the company's various representations, BSE considered the same and penalty levied by the Exchange was waived and the Company is in the process of obtaining the refund.

3.	<p>Regulation 31 (2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires company to maintain 100% of the Shareholding of the Promoters in dematerialized form.</p>	<p>Due to inadvertent classification of “Public” shareholders in “Promoters” category the company was not able to maintain 100% Shareholding of the Promoters in dematerialized form.</p>	<p>In view of the said classification which was carried out inadvertently by the Company, bringing some “Public” shareholders in the Promoters’ category, and classifying the same, & also classified as “Promoters”, resulting in the company not able to maintain the 100% of the Shareholding of the “Promoters” in dematerialized form. Accordingly, the company has filed an application under Regulation 102 of SEBI (LODR) Regulation, 2015 dated 26th May,2021 requesting SEBI to approve the reclassification of “actual” 4[four] Promoters.</p>
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4.	Regulation 31A SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires to follow the procedure for Reclassification of Promoters.	The company was not in position to comply with the procedure for reclassification of promoters as majority of shareholders classified as 'promoters' were not traceable.	<p>At the time of Initial Public offer (IPO), some of the shareholders belonging to the "Public" Category was inadvertently classified as "Promoters".</p> <p>At the time of filing Shareholding pattern for the quarter ended 30th September, 2020, the company encountered difficulty of loading Shareholding data in XBRL form as PAN details of all the promoters were required. Hence the company filed the Shareholding pattern with actual four promoters of whom the details of PAN were available.</p> <p>After filing the Shareholding pattern, company approached the SEBI for redressing the issue.</p> <p>SEBI after looking in to the matter directed the company to file a petition under Regulation 102 of SEBI (LODR) Regulation, 2015 seeking dispensation in complying with the provision of Regulation 31A of SEBI (LODR) Regulation, 2015.</p> <p>The company has filed a application under Regulation 102 of SEBI (LODR) Regulation, 2015 on 26th May,2021 along with a fee of Rs. 100,000/- requesting SEBI to approve the reclassification of Promoters only with actual promoters of the 211company namely Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki Reddy and Mrs. S. Charita Reddy without taking route under Regulation 31A of SEBI (LODR) Regulation, 2015.</p>
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5.	Regulation 40 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 requires the transfer and transmission of securities between the promoters of the company.	Due to inadvertent classification of Promoters the company is not in a position to transfer securities of the promoters.	The company has filed an application under Regulation 102 of SEBI (LODR), 2015 seeking reclassification of actual promoters of the company. After the requisite order from SEBI the company will be in position to transfer the securities of the promoters of the company.
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- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations! remarks of the Practicing Company Secretary, if any.

Nil

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ending 31 st March 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity

Nil

I further report that during the period under review [financial Year 2020-21] with respect to FEMA Regulations & related compliances and based on the information made available by the company :

[i] During the year under review there was no incidence of any fresh allotment/transfer of shares of the Foreign shareholders/ persons resident outside India and hence there are no incidences of FCGPR and related intimation / reporting to RBI.

[ii] However, there are few Foreign Shareholders in the Company and they were allotted the shares of the Company at the time of IPO and they have been inadvertently classified as the Promoters of the Company. The outcome of this is solely dependent on the outcome of the Regulation 102 of SEBI (LODR) Regulations, 2015, which is mentioned in the section SEBI Compliances which is part of this report reported .

[iii] The company does not hold any Foreign Assets / or Liabilities and hence there was NO need for filing the FLA returns as per FEMA Regulations.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 [Financial Year 2020-21], the company has the following events as applicable/ or NOT applicable as the case may be :-

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.-NIL
- (ii) Redemption / buy-back of securities-NIL
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013- NIL
- (iv) Merger / amalgamation / reconstruction, etc.-NIL
- (v) Foreign technical collaborations-NIL

Sd/-

Venkataraman Sundar

UDIN : F004542C000769757

Place: Chennai

FCS No.: 4542

Date: 11th August, 2021

CP No : 20920

ANNEXURE - II
FORM NO. MGT 9

Extract of Annual Return as on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L05005AP1990PLC011276
2.	Registration Date	07/05/1990
3.	Name of the Company	SHARAT INDUSTRIES LIMITED
4.	Category /Sub category of the Company	Company Limited By Shares / Non Government Company
5.	Address of the Registered office	Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh 524 002
6.	Whether Listed Company	Yes
7.	Name, Address and Contact Details of Registrar and Share Transfer Agents	M/s. Cameo Corporate Services Limited Subramaniam Building No. 1, Club House Road, Chennai – 600 002 Ph: 044-40020704 Email: investor@cameoindia.com

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	60.58%
2	Raw Shrimp Domestic	23099031	13.99%
3	Shrimp Feed Domestic	10809	19.73%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 st April, 2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8835700	631800	9467500	43%	11345000	139100	11484100	52.17%	9.16
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Gov- t(s)	0	0	0	0	0	0	0	0	NIL
d) Bodies Corp.	0	400	400	0.0018	0	0	0	0	-0.0018
e) Banks / FI	0	0	0	0	0	0	0	0	NIL
f) Any other Directors and their relatives	2463800	0	2463800	11.19	0	0	0	0	-11.19
Sub-total (A) (1)	11299500	632200	11931700	54.20	11345000	139100	11484100	52.17	-2.033
(2) Foreign									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	445500	445500	2.02	0	0	0	0	-2.0238
b) Bodies Corporate	0	0	0	0	0	0	0	0	NIL
c) Institutions	0	0	0	0	0	0	0	0	NIL
d) Any other	0	0	0	0	0	0	0	0	NIL
Sub-total (A) (2):-	0	445500	445500	2.02	0	0	0	0	-2.0238
Total share- holding of Promoter (A)(1) + (A) (2)	11299500	1077700	12377200	56.22	11345000	139100	11484100	52.17	-4.057
B. Public Share-holding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	16300	16300	0.07	0	16300	16300	0.07	0
b) Banks / FI	0	70000	70000	0.32	0	70000	70000	0.32	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	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	
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	86300	86300	0.39	0	86300	86300	0.39	0
2. Non-Institutions									0
a) Bodies Corporate	601	354800	355401	1.61	4017	354800	3558817	1.63	0.0015
b) Individuals									
i) Individual share-holding nominal share capital up to Rs. 1 lakh	229412	6701600	6931012	31.48	261042	7376200	7637242	34.69	3.20
ii) Individual share-holders holding share capital in excess of Rs 1 lakh	280797	288300	569097	2.58	331313	458300	789613	3.58	1.0017
c) Others (specify)									
Clearing Member	613	0	613	0.0027	1592	0	1592	0.0072	0.0044
HUF	3030	0	3030	0.0137	6430	0	6430	0.0292	0.0154
Non Resident Indians	26147	1663700	1689847	7.67	2206	1646200	1648406	7.488	-0.1882
Sub-total (B) (2):-	540600	9008400	9549000	43.37	606600	9835500	10442100	47.43	4.05
Total Public Shareholding (B)=(B)(1)+ (B)(2)	540600	9094700	9635300	43.77	606600	9921800	10528400	47.82	4.05
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11840100	10172400	22012500	100	11951600	10060900	22012500	100	0

B) Shareholding of Promoter:

SN	Shareholder's Name	Share holding at the beginning of the year as on 1 st April,2020			Share holding at the end of the year 31 st March, 2021.			% 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	
2)	S. Devaki Reddy	1,39,100	0.63	0	1,76,500	1.42	0	
3)	S. Charita Reddy	8,000	0.04	0	28,000	0.08	0	NIL
4)	S. Sharat Reddy	24,64,800	11.2	0	24,64,800	11.02	0	
5)	Other share Holders	8,72,000	3.97	0	8,72,000	3.97	0	NIL
	TOTAL	12297700	55.87	0	12356100	56.13	0	

Note:

Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki Reddy and Mrs. S. Charita Reddy are the actual promoters of the Company, certain other public shareholders were inadvertently classified as the Promoters of the Company. In order to reclassifying the same, the Company took recourse under Regulation 31A of the SEBI (LODR) Regulations, 2015. However, the Company was not successful in contacting all the shareholders inadvertently classified as the Promoters. Hence, the Company based on the directions from the BSE has filed an application under Regulation 102 of SEBI (LODR) Regulations, 2015, seeking dispensation with strict compliance of Regulation 31A of SEBI (LODR) Regulations, 2015 on 26th May, 2021 along with the application fees of Rs. 1,00,000/- the outcome of the application is awaited.

c) Change in Promoters' Shareholding (please specify, if there is no change) No Change:

S.NO	PARTICULARS	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
1	At the beginning of the year	1,14,83,100	52.17	1,14,83,100	52.17
2	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):	0	0	0	0
3	At the end of the year	1,14,83,100	52.17	1,14,83,100	52.17

Note:

Mr. S. Prasad Reddy, Mr. S. Sharat Reddy, Mrs S. Devaki Reddy and Mrs. S. Charita Reddy are the actual promoters of the Company, certain other public shareholders were inadvertently classified as the Promoters of the Company. In order to reclassifying the same, the Company took recourse under Regulation 31A of the SEBI (LODR) Regulations, 2015. However, the Company was not successful in contacting all the shareholders inadvertently classified as the Promoters. Hence, the Company based on the directions from the BSE has filed an application under Regulation 102 of SEBI (LODR) Regulations, 2015, seeking dispensation with strict compliance of Regulation 31A of SEBI (LODR) Regulations, 2015 on 26th May, 2021 along with the application fees of Rs. 1,00,000/- the outcome of the application is awaited.

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 01.04.20		Date	INC/DEC	Reason	Cumulative shareholding during the year (01.4.2020 to 31.3.2021)	
		No of shares	%				No of shares	%
1.	Mrs. Laxmi Pathi Garipalli	1,72,000	0.78				1,72,000	0.78
2.	Mr. Madhusuduan V Pulijal	1,17,300	0.53				1,17,300	0.53
3.	Mr. Venkataratnam Kottapalli	1,10,700	0.50				1,10,700	0.50
4.	Mr. Ajayya Gulati	1,01,400	0.46				101400	0.46
5.	Mr. Raja Ramesh Kottapalli And Venkata Ratnam	37400	0.34				37400	0.34
6.	Mrs. Rajyalakshmi Kottapalli And Mr. Venkataratnam Kottapalli	37400	0.34				37400	0.34
7.	Mr. Ashok N Patel and Vandana Ashok Patel	74,700	0.34				74,700	0.34
8.	M/s. Suashish Finance Ltd	66,200	0.30				66,200	0.30
9.	M/s. Stock holding corporation of India ltd	50700	0.25				50700	0.25
10.	M/s. Esquire Tea Plantation & Industries Ltd	49200	0.24				49200	0.24

E) Shareholding of Directors and Key Managerial Personnel:

Directors:

Sl. No	Name	Designation	Share holding at the beginning of the year 01.04.2020	Increase	Reason	Cumulative shareholding during the year (01.4.20 to 31.3.21)
1	S. Prasad Reddy	Managing	8814800	-	-	8814800
		Director	40.04%			40.04%
2	S. Sharat Reddy	Executive	2463800	-	-	2463800
		Director	11.19%			11.19%

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

Name	31 st March, 2021 Equity Shares	31 st March, 2020 Equity Shares
S. Prasad Reddy	88,14,800 Shares 40.04%	88,14,800 Shares 40.04%
S. Sharat Reddy	24,63,600 Shares 11.19%	24,63,800 Shares 11.19%

V) INDEBTEDNESS -

Particulars	Secured Loans excluding deposits (in Rs.)	Unsecured Loans (in Rs.)	Deposits (in Rs.)	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	55,48,97,404	4,56,49,863	-	60,05,47,267
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	55,48,97,404	4,56,49,863	-	60,05,47,267
Change in Indebtedness during the financial year (increase/ (Decrease))	26,17,07,837	(33,51,953)		25,83,55,884

Indebtedness at the end of the financial year				
i) Principal Amount	81,66,05,241	4,22,97,910	-	85,89,03,151
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	81,66,05,241	4,22,97,910	-	85,89,03,151

REMUNERATION OF DIRECTORS (in Rs.)

SN.	Particulars of Remuneration	S. Prasad Reddy Managing Director	S. Sharat Reddy Executive Director
1.	Gross Salary	60,00,000	50,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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)	60,00,000	50,00,000
	Ceiling as per the Act	84,00,000	84,00,000

REMUNERATION TO INDEPENDENT DIRECTORS FOR THE YEAR 2020-2021 (in Rs.)

Sl. No.	Name of Director	Fee for attending Board/ committee Meetings	Commission	Others	Total
1	Mrs. Durga Thota	39,500	-	-	39,500
2	Mr. Ch. Kishore Kumar	29,500	-	-	29,500
3	Mr. Harihar Venkata Muthyam	23,500	-	-	23,500
4	Mr. Sreeram Reddy	11,000	-	-	11,000
5	Mr. P. Shanmugam	10,000	-	-	10,000

REMUNERATION OF KEY MANAGERIAL PERSONNEL FOR THE YEAR 2020-2021

(in Rs.)

SN.	Particulars of Remuneration	Mr. B. Durga Prasad Chief Financial officer	B. Vignesh Ram Company Secretary and Compliance officer
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,80,000	6,41,669
	(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	14,80,000	6,41,669

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					

Place: Chennai

For and Behalf of Board

Date : 12th August, 2021

-sd/-

S. Prasad Reddy
 Managing Director
 DIN: 00069094

-sd/-

S. Sharat Reddy
 Executive Director
 DIN: 02929724

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

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts /arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:

Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2) Details of material contracts or arrangement or transactions at arm's length basis.

S.No	Name of Related Party and nature of Relationship	Nature of contact / Agreement/ Transaction	Duration of the Contract	Salient terms of The contract	Date of Approval by the Board	Amount as paid as advance if any
01	Mr. S. Prasad Reddy Managing Director	Lease of Ponds	Continuous	The lease rent paid by the company shall not exceed the similar facilities in the location	26/08/2020	Nil
02	Mrs. S. Devaki Reddy Chief Administrative officer Wife of Mr. S. Prasad Reddy, Managing Director	Lease of office Premises	Continuous	The lease rent Paid by the company shall not exceed the similar facilities in the location	26/08/2020	Nil

FOR AND ON BEHALF OF THE BOARD

-sd/-

-sd/-

PLACE: Chennai

Date : 12th August, 2021

S.Prasad Reddy
Managing Director
DIN:00069094

S.Sharat Reddy
Executive Director
Din:02929724

Annexure-IV

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

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



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;	Name of the Directors	Ratio to median remuneration
		S PRASAD REDDY	46 : 1
		S PRASAD REDDY	38 :1
(ii)	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year are as under	There was an decrease in the managerial remuneration for the Financial Year 20-21 for Mr. S. Sharat Reddy from Rs 5.00 Lakhs per month to Rs.4.17 & Mr. Prasad reddy from 6.00 Lakhs to 5 Lakhs per month. which is amounting to -16.67%	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2019-20	No increase	
(iv)	Number of permanent employees on the rolls of the company:	217 employees	
(v)	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 circumstance for increase in the managerial remuneration;	The increase made in average salaries of employees other than the managerial personnel in the current financial year was 15%.	
		There has been decrease in the managerial remuneration for the Financial Year 2019-2020 for Mr. S. Sharat Reddy from Rs 5.00 Lakhs per month to Rs.4.17 & Mr. Prasad reddy from 6.00 Lakhs to 5 Lakhs per month.	
(vi)	Affrmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and Other Employees	

ANNEXURE VI REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY:

Good corporate governance is an essential condition for sustainable business that aims at generating long term value to its stakeholder. The Company believes that strong governance standards, focusing on fairness transparency, accountability and responsibility are vital, not only healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. The Company's philosophy on w oversees business strategies and ensured fiscal accountability, ethical corporate behavior.

2. BOARD OF DIRECTORS:

A) COMPOSITION OF BOARD:

The Company has constituted the Board in consonance with the requirement of Regulation 17 of the SEBI (Listing obligation and disclosure requirements) Regulation 2015. The strength of the Board of Directors is 6 (Six) with two Executive Director (one Managing Director and one Executive Director) and 4 (Four) Non executive Directors. The Independent Directors are having vast experience in the industry, finance and general expertise to handle and guide the operation towards betterment. They take active part in the Board and Committee Meetings.

S.No.	DIRECTORS NAME	DESIGNATION
1	Mr. Prasad Reddy Sabbella	Managing Director
2	Mr. Sharat Reddy Sabbella	Whole time Director- Executive Director
3	Mrs. Durga Thota	Women - Independent Director
4	Mr. Ch. Kishore Kumar	Independent Director
5	Mr. K. Sreeram Reddy (Till 12.11.2020)	Independent Director
6	Mr. Harihar Venkata Muthyam	Independent Director
7	Mr. P. Shanmugam (From 12.11.2020)	Non – Executive & Non – Independent Director

B) INFORMATION OF BOARD OF DIRECTORS AND ATTENDANCE:

During the year under review the Board of Directors of the company meet 6 (Six) times. viz., 18th May, 2020, 26th June, 2020, 26th August, 2020, 30th September, 2020, 12th November, 2020 and 09th February, 2021.

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

Name of Director / Designation	No of Board meetings attended during the year	Last AGM (held on 30.12.2020) Attended	Directorships Held in Other Companies	No of other Committees (other than this Company) in which Chairman / Members
Mr. S. Prasad Reddy Chairman/ Managing Director	6	Yes	Nil	Nil
Mr. S. Sharat Reddy Executive Director	6	Yes	Nil	NIL
Mrs. Durga Thota (Non- Executive Independent Director)	6	Yes	1	NIL
Mr. Ch. Kishore Kumar (Non- Executive Independent Director)	4	Yes	2	NIL
Mr. K. Sreeram Reddy (Till 12.11.2020) (Non- Executive Independent Director)	2	NA	1	NIL
Mr. Harihar Venkata Muthyam (Non- Executive Independent Director)	3	Yes	1	NIL
Mr. P. Shanmugam (Non –Executive Director)	2	Yes	Nil	NIL

The necessary quorum was present for all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing.

C) Disclosure of relationships between directors inter-se:

Mr. S. Prasad Reddy, Managing Director is the father of Mr. S. Sharat Reddy, Executive Director.

D) Number of Shares and Convertible instruments held by Non-Executive Director:

None of the Non-executive Directors hold any share in the company.

E) Details of familiarization programmers for Independent Directors:

The details of the Familiarization Programmers for Independent Directors are available at the Company's website, at the following link <http://www.sharatindustries.com/investors-financial-results.html>

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website at the following link at <http://www.sharatindustries.com/investors-financial-results.html>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

F) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and is Independent of the management:

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

G) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided:

Mr. K. Sreeram Reddy Independent Director has resigned with effect from 12.11.2020, as per the resignation letter received from Mr. K. Sreeram Reddy his resignation was due to professional engagements and other personal reasons.

Further he confirmed that there are no other material reasons other than those provided.

H) List of core Skills / expertise/ Competencies required in the Company's Board to enable it function effectively and those actually available:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

S.No	Skills/ Expertise/ Competence identified by Board	S.Prasad Reddy	S.Sharat Reddy	Durga Thota	C.Krishore Kumar	Harihar Venkata Muthyam	P. Shanmugam
1	Knowledge on Company's businesses,policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	✓	✓	✓	✓	✓	✓
2.	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	✓	✓	✓	✓	✓	✓
3.	Business Strategy, Forex Management, Administration, Decision Making, Sales & Marketing.	✓	✓	✓	✓	✓	✓
4	Corporate Governance & Compliance	✓	✓	✓	✓	✓	✓
5	Financial and Management skills	✓	✓	✓	✓	✓	✓
6	Technical / Professional skills and specialized knowledge in relation to Company's business	✓	✓	✓	✓	✓	✓



3. CHANGES IN DIRECTORS:

The changes in the Directors during the year under review are disclosed in Boards Report.

4. AUDIT COMMITTEE:

A. Terms of Reference:

The committee acts as a bridge between the Board, the Statutory Auditors and the Internal auditors. The Committee functions as per the provisions of regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of Companies Act, 2013. The responsibilities of the Committee, inter-alia, include:

- (a) Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible and more particularly:
 - 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.

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings:

The committee comprises Non-Executive Independent Directors. As on 31st March, 2021, composition of the committee is as follows:

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

During the financial year 2020-21, Four (4) meetings of the Audit Committee were held viz., on 26th June, 2020 26th August, 2020 12th November, 2020 and 09th February, 2021. All members of Audit Committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management were invited to attend all the meetings of the committee.

C. Attendance of Directors:

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Ch Kishore Kumar (Chairperson)	4	4
Mrs. Durga Thota (Member)	4	4
Mr. K. Sreeram Reddy (Member) Till 12.11.2020	4	2
Mr. Harihar Venkata Muthyam (Member) From 12.11.2020	4	2

All the recommendations made by the Audit Committee were accepted by the Board.

5. NOMINATION AND REMUNERATION COMMITTEE:

A. Terms of Reference:

The Committee was constituted in terms of the requirement of SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015 and Section 178 of Companies Act, 2013. The responsibility of the committee includes:

- a. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b. To identify persons who are qualified to become Directors and Key Managerial Personnel in accordance with the criteria laid down in this policy and recommend their appointment to Board.
- c. To formulate criteria for evaluation of Directors, the Board and various Committees of the Board.



- d. To carry out evaluation of Director's performance.
- e. To recommend to the Board policy relating to remuneration for Directors, Key Managerial and Senior Management Personnel.
- f. Succession planning for replacing Key Executives and overseeing the Implementation of the same.

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings:

The Committee comprises of 3 Non-Executive Independent Directors as on 31st March, 2021.

Mr. Ch. Kishore Kumar as Chairman

Mrs. Durga Thota as Member

Mr. Harihar Venkata Muthyam as Member

C. Attendance of Members:

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Ch Kishore Kumar (Chairperson)	3	3
Mrs. Durga Thota (Member)	3	3
Mr. K. Sreeram Reddy (Member) Till 12.11.2020	3	1
Mr. Harihar Venkata Muthyam (Member) From 12.11.2020	3	1

The committees meet thrice during the Financial Year 2020-2021 viz., on 26th June, 2020, 30th September, 2020 and 12th November, 2020.

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: (in Rs.)

Name of Director	Salary	Perquisites	Contribution to PF	Total
Mr. S. Prasad Reddy	60,00,000	-	-	60,00,000
Mr. S. Sharat Reddy	50,00,000	-	-	50,00,000

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

The company is paying Sitting Fee to the Non-Executive Directors of Rs. 5000/- for Board, Audit Committee and Nomination and Remuneration Committee and Rs. 1000/- for Shareholder's Relationship Committee.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- (i) The Committee, inter-alia, approves issuance of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and rematerialisation including redressing grievances related thereto. The Committee also considers redressing of shareholder's complaints relating to non receipt of notices/annual reports and dividends etc.
- (ii) The Committee consists of 3 Non –Executive Independent Director as on 31st March, 2021.
 - (a) Mr. Ch. Kishore Kumar as Chairperson
 - (b) Mrs. Durga Thota as Member
 - (c) Mr. Harihar Venkata Muthyam as Member
- (iii) During the financial year ended on 31st March, 2021 the Shareholder's Relationship Committee meet 3 (Three) times viz., 26th August, 2020 12th November, 2020 and 09th February, 2021 .

The attendance of the members of the Stakeholder's Relationship Committee is as follows:

NAME OF DIRECTOR/MEMBER	NO.OF MEETINGS HELD	NO.OF MEETINGS ATTENDED
Mr. Ch Kishore Kumar (Chairperson)	3	3
Mrs. Durga Thota (Member)	3	3
Mr. K. Sreeram Reddy (Member) Till 12.11.2020	3	1

Mr. Harihar Venkata Muthyam (Member) From 12.11.2020	3	2
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(iv) The Details of Complaints received and redressed:

Opening Balance	Received	Resolved	Closing Balance
Nil	6	6	Nil

7. INDEPENDENT DIRECTOR'S MEETING:

During the Financial Year under review the Independent Directors meeting was held on 09th February, 2021 and was attended by Mrs. Durga Thota Mr. Ch. Kishore Kumar and Mr. Harihar Venkata Muthyam.

8. GENERAL BODY MEETING:

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

Year	Location	Date	Time
2019-2020	Through Video Conferencing (VC)/other Audio Visuals Means (OAVM)	30.12.2020	10:00 AM
2018-2019	Venkannapalem Village T.P Gudur Mandal Nellore, Andhra Pradesh 524002	24.09.2019	10:15 AM
2017-2018	Venkannapalem Village T.P Gudur Mandal Nellore, Andhra Pradesh 524002	29.09.2018	10:00 AM

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

S.No	Date of AGM	Details of Special Resolutions Passed	
1.	30.12.2020	i)	Re-appointment of Mr. S. Prasad Reddy as Managing Director of the company for period of 5 Years
		ii)	Re-appointment of Mrs. Durga Thota as Independent Director for Second term of 5 Years.
2.	24.09.2019		No Special Resolution was passed.
3.	29.09.2018		Re-appointment of Mr. S. Prasad Reddy as Managing Director for period of 3 Years.

9. EXTRAORDINARY GENERAL MEETING:

There were no Extraordinary General Meeting held during the year 2020-2021

10. MEANS OF COMMUNICATION:

- a. The company has been sending annual reports, notices and other communications to each shareholder and all information in connection with Compliances under SEBI (LODR) Regulations 2015 is being uploaded in the company's web site: www.sharatindustries.com
- b. The quarterly reports in the prescribed format were published in the News Papers, Financial Express- English and Vishalandhra - Telugu as required by the SEBI (Listing obligation and regulation),2015.
- c. There were no presentations made to institutional investors or analysts, during the year.

11. GENERAL SHAREHOLDER'S INFORMATION:

a.	Annual General Meeting	31 st Annual General Meeting.
	Date & Time	Monday, 27 th September, 2021 10:00 AM
	Mode	Video Conferencing ("VC")/ Other Audio - Video Mean ("OVAM").
b.	Financial Year Calendar	1 st April to 31 st March of every year
	Financial reporting for the quarter ending 30.06.2021	12 th August, 2021
	Financial reporting for the quarter and half year ending 30.09.2021	12 th November 2021
	Financial reporting for the quarter and nine months ending 31.12.2021	14 th February, 2022
	Financial reporting for the quarter and year ending 31.03.2022	30 th May, 2022
c.	Date of Book Closure	21 st September, 2021 to 27 th September, 2021
d.	Listing of Stock Exchanges	Bombay Stock Exchange Ltd. The annual listing fees for the period has been paid up to date
e.	DEMAT ISIN	INE220Z01013
f.	Registrar and share transfer Agent.	M/s. Cameo Corporate Services 'Subramanian Building', No.1, Club House Chennai – 600002.

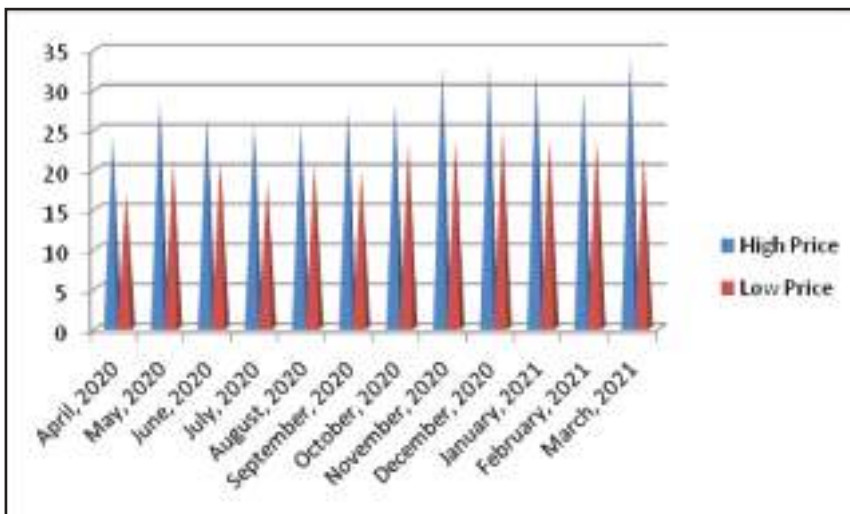
g.	Share Transfer System	Shares held in the dematerialized form are electronically traded in the depository. Pursuant to SEBI notification dated June 08, 2018 and the press release dated 03.12.2018, amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 from 01.04.2019 request for effecting transfer of physical shares certificates shall not be processed except in case of transmission or transpositions of shares. The registrar and share transfer agents of the company periodically receive from the depository the beneficiary holdings to enable them to update their records and communication details. Physical shares received for dematerialization are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders.
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12. MARKET PRICE DATA:

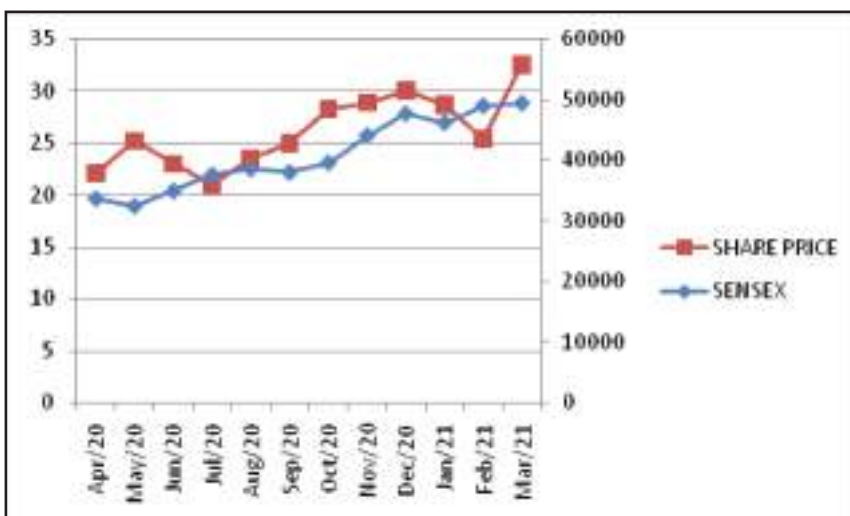
Details of Monthly high and low market prices as per stock exchange data for the financial year ended 31st March, 2021.

Month	High Price	Low Price	Volume (No. of Shares)
April, 2020	24.00	16.80	8348
May, 2020	28.65	21.00	16483
June, 2020	27.00	21.00	7400
July, 2020	25.80	18.40	8656
August, 2020	25.80	20.90	18959
September, 2020	27.75	19.90	37512
October, 2020	28.25	23.35	5826
November, 2020	32.95	23.50	27687
December, 2020	33.00	25.10	58908
January, 2021	32.40	23.80	51273
February, 2021	29.95	23.75	10139
March, 2021	34.35	21.85	70912

13. CHART GIVEN HERE UNDER PLOTS THE MOVEMENTS OF THE COMPANY'S SHARE PRICE ON BOMBAY STOCK EXCHANGE LIMITED FOR THE YEAR 2020-2021:



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



15. SHAREHOLDING PATTERN AS ON MARCH 31, 2021:

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
(A) Promoter and Promoter Group:	4	1,14,84,100	52.17
(B) Public	36,824	1,05,28,400	47.83
Grand Total	36,828	2,20,12,500	100.00

16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021:

Slab of Share Holding	SHAREHOLDERS	%	NO. OF SHARES	%
10-5000	33950	92.10	47033060	21.36
5001-10000	1651	4.47	13544270	6.15
10001-20000	686	1.86	10238600	4.65
20001-30000	289	0.78	7228060	3.28
30001-40000	94	0.25	3425220	1.55
40001-50000	72	0.19	3403040	1.54
50001-100000	71	0.19	5116620	2.32
100001- Above	49	0.13	130136130	59.11
Total	36862	100.00	220125000	100.00

17. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

The Details of Dematerialization of Shares as on 31st March, 2021 as under

S.No	Mode of Holding	No. of Holders	Percentage of No. of Holders	No. of Shares	Percentage of No. of Shares
1.	Physical	36,355	98.56	1,00,16,100	45.50
2.	NSDL	235	0.63	4,88,227	2.21
3.	CDSL	294	0.79	1,15,08,173	52.28
	Total	36,884	100.00	2,20,12,500	100.00

18. OUTSTANDING GDRs OR ADRs OR WARRENTS OR CONVERTIBLE INSTRUMENTS:

There are no outstanding Global Depository Receipt or American Depository Receipt or Warrants and convertible instruments during the year 2020-2021.

19. ADDRESSES FOR CORRESPONDENCE:

Shareholders correspondence should be addressed to the Company Secretary of the Company at the registered office of the company Ph: 044-24357868 / 044-24347867 email id: cs@sharatindustries.com or its Registrars and Share transfer Agents, M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600 002, Tamil Nadu, Ph: 91-44-28460390 / 91-44-40020700 email id: investor@cameoindia.com by quoting the Folio number or the Client ID number with DP ID number.

20. PLANT LOCATION:

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

21. REGISTRAR AND SHARE TRANSFER AGENTS:

The address of Cameo Corporate Services, Registrar and Share transfer Agents of the company is as under.

Cameo Corporate Services Limited

Subramanian Building

No.1, Club House Road, Chennai 600002

Email Id: cameo@cameoindia.com

Website: <https://cameoindia.com/>

Phone Number: 044-28460390

22. SHARE TRANSFER SYSTEM:

All the transfer received is possessed by the Stakeholder's Relationship committee. The summary of transfer and transmission, are placed before the Board Meeting and Stakeholder's Relationship committee Meeting. The Company obtains from Mr. M.V.V Prasad Reddy, Practicing Company Secretary half-yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulation, 2015 and the copy of the said certificate is filed with BSE.



23. OTHER DISCLOSURES:

- a. The Board is of the bona fide 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.
- b. Details of Non-Compliance by Listed entity, Penalties, Strictures imposed on Listed Entity by Stock Exchanges or Board or any Statutory Authority on any matter related to Capital Market during 3 Years:

Your company has paid a penalty of Rs. 5000/- for non-compliance of Regulation 29 (1) (a) of SEBI (LODR), Regulation, 2015 and penalty of Rs. 10,62,000/- for non-compliance of Regulation 17 of SEBI (LODR), Regulation, 2015 till 29th September, 2020.

Due to imposition of strict lockdown during first wave of covid-19 pandemic the company was not in position to adhere to compliance of Regulation 17 of SEBI (LODR) Regulation, 2015. Company made representation to exchange seeking waiver of penalty for purpose of non-compliance. SEBI after looking into the representation made by company through its email dated 16th April, 2021 has waived the fines levied for non-compliance under SEBI (LODR), 2015. The company is under the process of obtaining the refund.

- c. 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
- d. Inter Relationship Between Directors and Key Managerial Personnel of the Company:
Mr. S. Prasad Reddy, Managing Director of the Company is the father of Mr. S. Sharat Reddy, Executive Director of the company.
- e. Web-link where details of familiarization programme imparted to Independent Directors is disclosed: www.sharatindustries.com
- f. Web-link where details of policy on Disclosure of Material Events is disclosed: www.sharatindustries.com
- g. Web-link where details of policy dealing with related party transaction is disclosed: www.sharatindustries.com
- h. The Company has not undertaken any transaction regarding commodity risk and commodity hedging Activities
- i. The Company has not distributed any Dividend so there is no policy on dividend distribution.
- j. The Company has not raised funds through preferential allotment and qualified institution placement as specified under Regulation 32(7A).
- k. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board

- a. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5) (x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as on end of the financial year	Nil

24. DECLARATION ON CODE OF CONDUCT:

All Board members and senior management personnel have, for the financial year ended on 31st March, 2021, have affixed 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.

Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46 of Listing Regulations

S.No	Particulars	Regulation	Compliance Status (Yes/No/NA)	Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46 of Listing Regulations
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> • Composition (17(1)) • Frequency of Meetings (17(2)) • Review of Compliance Report (17(3)) • Plans for orderly succession for appointments (17(4)) • Code of Conduct (17(5)) • Fees / compensation to Non-Executive Directors (17(6)) • Minimum information to be placed before the Board (17(7)) • Compliance Certificate (17(8)) • Risk assessment and management (17(9)) • Performance evaluation of Independent Directors (17(10))
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> • Composition (18(1)) • Meetings (18(2)(a) and (b)) • Powers of the Committee (18(2)(c)) • Role of the Committee and review of information by the Committee (18(3))



3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> • Composition (19(1)) • Chairperson (19(2) and (3)) • Role of the Committee (19(4))
4	Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> • Composition (20(1)) • Chairperson (20(2)) • Other Members (20(3)) • Role of the Committee (20(4))
5	Risk Management Committee	21	NA	<ul style="list-style-type: none"> • The Company formulated the policy on Risk Management.
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> • Formulation of Vigil Mechanism for Directors and employees (22(1)) • Direct access to Chairperson of Audit Committee (22(2))
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> • Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions (23(1)) • Approval including omnibus approval of Audit Committee (23(2) and (3)) • Review of Related Party Transactions (23(3)(d))
8	Subsidiaries of the Entity	24	NA	NA
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> • Memberships / Chairmanships in Committees (26(1) and (2)) • Affirmation on compliance of Code of Conduct by Directors and Senior Management (26(3)) • Disclosure of shareholding by Non-Executive Directors (26(4)) • Disclosures by Senior Management about potential conflicts of interest (26(5))
10	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> • Compliance with discretionary requirements (27(1)) • Filing of quarterly compliance report on Corporate Governance (27(2))
11	Website	46	Yes	<ul style="list-style-type: none"> • Maintaining Functional Website (46(1)) • Details disseminated on website (46(2)) • Contents on website and updating the website (46(3))

List of Policies:

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

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

FOR AND ON BEHALF OF THE BOARD

-sd/-

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

-sd/-

S. PRASAD REDDY
MANAGING DIRECTOR
DIN:00069094**Date: 12th August, 2021**

**ANNEXURE - VII****Practicing Company Secretary Certificate on Corporate Governance**

To,

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

We have examined the compliance of the conditions of Corporate Governance by M/s **Sharat Industries Limited** ('the Company') having **CIN: L05005AP1990PLC011276** and having its Registered Office at

Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations for the financial year ended on March 31, 2021.

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

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

-sd/-

Amresh Kumar

Proprietor

Place: New Delhi

Date : 23rd August, 2021

M No.: 32262 , CP No.:22067

UDIN : A032262C000822F910

Annexure - IX

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHARAT INDUSTRIES LIMITED (CIN: L05005AP1990PLC011276)** having registered office at Venkannapalem Village, T P Gudur Mandal, Nellore, Andhra Pradesh-524002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1	Mr. PRASAD REDDY SABELLA	00069094	07/05/1990
2	Mr. CHERUKUMALLI KISHORE KUMAR	00849345	12/11/2019
3	Mr. SABELLA SHARAT REDDY	02929724	31/01/2013
4	Mrs. DURGA THOTA	07138565	15/07/2016
5	Mr. VENKATA MUTHYAM HARIHAR	08160011	28/09/2020
6	MR. P. SHANMUGAM	08877587	12/11/2020



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

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

-sd/-

Amresh Kumar

Proprietor

Place: New Delhi

Date : 23rd August, 2021

M No.: 32262 , CP No.:22067

UDIN : A032262C000822F910

ANNEXURE - IX

GENERAL INFORMATION PURSUANT TO THE SECOND PROVISIO (IV) TO SECTION II (B) OF PART II OF- SCHEDULE V

I. GENERAL INFORMATION

1	Nature of Industry	Integrated Aqua Industry		
2	Date of commencement of commercial production	07-05-1990		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4.	Financial Performance	Particulars	2020-21	2019-20
		Gross Revenue	25,283.38	20170.11
		Total Expenditure	24,315.56	19911.41
		Financial Cost	578.40	732.43
		Profit Before Exceptional items and Tax	389.42	258.71
5	Export performance and net foreign exchange:	Rs. 152,04,80,007		
6.	Foreign Investments or collaborators, If any	Nil		



II OTHER INFORMATION:

Reasons for inadequacy of Profits: low market demands during the major portion of the financial years contributed to reduced output. High volatility in cost and sale price resulted in lower operation profits.

Steps taken or proposed to be taken for improvement: The Company is focusing on increasing its market share by adding new dealers & distributors to its feed division. The company is also working actively to increase the customer base for its export division

Expected increase in productivity and profits in measurable terms: The company is planning to scale up the growth up to 20% thereby increasing profitability at 50%.

BY ORDER OF BOARD
For **SHARAT INDUSTRIES LIMITED**

Place: Chennai

Date: 12th August, 2021

-sd/-
S. PRASAD REDDY
MANAGING DIRECTOR

MANAGING DIRECTOR (MD) / 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 proviso to Clause (b) of Sub regulation (2) of Regulation 33**

- (a) We have reviewed the financial statements and the cash flow statement of Sharat Industries Limited for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- i. Significant changes, if any, internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there were no instances of significant fraud of which we have become aware.

FOR AND ON BEHALF OF THE BOARD

-sd/-

PLACE: Chennai
Date : 12th August, 2021

S. PRASAD REDDY
MANAGING DIRECTOR



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

I hereby declare that:

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

FOR AND ON BEHALF OF THE BOARD

-sd/-

PLACE: Chennai

Date : 12th August, 2021.

S. PRASAD REDDY
MANAGING DIRECTOR

INDEPENDENT AUDITORS' REPORT

To

The Members of

SHARAT INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Sharat Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit for the year ended on that date total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial

statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of

the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Independent Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

FRN : 009805S

-sd/-

A.SENTHIL KUMAR

Partner

M. No. : 214611

UDIN : 21214611AAAAFD7589

Place: Chennai

Date: 11-06-2021



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

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

i. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) All the Property, Plant and Equipment 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 Property, Plant and Equipment 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 the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company.

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 provisions of Section 185 and 186 of the companies Act, 2013 are not applicable to the Company

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, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
- b. Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below

Name of the Statute	Nature of dues	Forum where the Dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
Customs Act, 1962	Customs Duty	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2004-2005	76.31
Finance Act, 1994 (Chapter IV)	Service Tax	In the High Court of Judicature of Andhra Pradesh at Hyderabad.	2015-2016	31.50
Income Tax Act, 1967	Income Tax	Commissioner of Appeals	2017-2018	96.61

viii. In respect of 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 A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

FRN : 009805S

-sd/-

A. SENTHIL KUMAR

Partner

M. No. : 214611

UDIN: 21214611AAAAFD7589

Place : Chennai

Date : 11-06-2021

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF SHARAT INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of SHARAT INDUSTRIES LIMITED (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for A.R.KRISHNAN & ASSOCIATES

Chartered Accountants

FRN : 009805S

-sd/-

A. SENTHIL KUMAR

Partner

M. No. : 214611

UDIN: 21214611AAAAFD7589

Place : Chennai

Date : 11-06-2021

Balance Sheet as at March 31, 2021

Particulars		Note No.	As At Mar 31, 2021	As At Mar 31, 2020
I ASSETS				
(1) Non-Current Assets				
(a)	Property, Plant & Equipment	3	423,225,363	416,036,031
(b)	Capital Work in Progress	3	21,267,960	15,729,362
(c)	Intangible Assets	3	187,225	348,451
(d)	Intangible Assets under Development		-	-
(e)	Financial Assets		-	-
(f)	Deferred Tax Asset		-	-
(g)	Other Non-Current Assets	4	24,621,431	13,143,240
(h)	Trade Receivables	4.1	48,136,851	15,615,623
Total Non-Current Assets			517,438,830	460,872,707
(2) Current Assets				
(a)	Inventories	5	653,032,271	539,114,071
(b)	Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	6	418,418,657	386,871,498
	(iii) Cash and Cash Equivalents	7	15,002,022	10,821,460
	(iv) Bank Balances Other than (iii) above	8	29,268,514	22,192,489
	(v) Others	8.1	86,967,080	22,478,385
(c)	Other Current Assets	9	89,826,880	77,462,070
Total Current Assets			1,292,515,425	1,058,939,973
TOTAL ASSETS			1,809,954,255	1,519,812,680
II EQUITY & LIABILITIES				
(1) Equity				
(a)	Equity Share Capital	10	220,125,000	220,125,000
(b)	Other Equity	11	354,231,173	328,068,817
Total Equity			574,356,173	548,193,817
(2) Non-Current Liabilities				
(a)	Financial Liabilities			
	(i) Borrowings	12	169,508,338	78,766,946
	(ii) Other Financial liabilities[other than those specified in (b) below]	12.1	56,448,204	64,797,773
	(iii) Trade Payables	12.2	18,179,274	25,489,465
(b)	Provisions	13	744,886	1,844,345
(c)	Deferred Tax Liabilities (Net)	14	10,979,765	4,351,146
Total Non-Current Liabilities			255,860,467	175,249,675
(3) Current Liabilities				
(a)	Financial Liabilities			
	(i) Borrowings	15	637,943,558	476,130,458
	(ii) Trade Payables	16	267,035,165	241,073,040
	(iii) Other Financial liabilities[Other than those specified in (c) below]	17	9,325,478	21,814,616
(b)	Other Current Liabilities	18	1,478,103	2,493,930
(c)	Provisions	19	63,955,310	54,857,144
Total Current Liabilities			979,737,615	796,369,189
TOTAL EQUITY & LIABILITIES			1,809,954,255	1,519,812,680
Significant Accounting Policies & Notes forming part of the financial statements		1&2		

The accompanying notes are integral part of the financial statements.
As per our report of even date

For A.R.Krishnan & Associates

Chartered Accountants

F.R. No. 009805S

-sd/-

A.Senthil Kumar

Partner

M.No. 214611

For and on behalf of the Board of Directors

-sd/-

S.Prasad Reddy

Managing Director

DIN : 00069094

-sd/-

S.Sharat Reddy

Executive Director

DIN : 02929724

-sd/-

B.Durga Prasad

Chief Financial Officer

-sd/-

B.Vignesh Ram

Company Secretary

Place : Nellore

Date : 11-06-2021

Statement of Profit and Loss for the year Ended March 31, 2021

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Revenue from Operations	20	2,509,776,899	1,999,923,781
II Other Income	21	18,561,395	17,087,657
III Total Income (I+II)		2,528,338,294	2,017,011,438
IV Expenses			
(a) Cost of Materials Consumed	22	1,975,141,021	1,568,385,111
(b) Purchase of Stock in trade		-	-
(c) Changes in Inventory	23	(29,341,253)	(116,823,322)
(d) Employee Benefits Expense	24	89,630,900	100,602,949
(e) Finance Costs	25	57,840,342	73,243,157
(f) Depreciation and Amortisation Expense	3.1	34,083,660	33,888,302
(g) Other Expenses	26	362,041,639	331,844,565
Total Expenses (IV)		2,489,396,308	1,991,140,762
V Profit Before Exceptional items and Tax (III-IV)		38,941,986	25,870,676
VI Exceptional Items		-	-
VII Profit Before Tax (V-VI)		38,941,986	25,870,676
VIII Tax Expense			
(a) Current Tax		6,552,753	4,318,333
(b) Mat Credit Entitlement		3,838,128	2,415,193
(c) Deferred Tax		2,703,612	1,426,082
IX Profit/(Loss) for the year (VII-VIII)		25,847,492	17,711,068
X Other Comprehensive Income			
Items that will not be reclassified to profit/(loss)		314,864	306,610
XI Total Comprehensive Income for the year			
(comprising of profit for the year and other comprehensive income [IX+X])		26,162,356	18,017,678
XII Earnings per Equity Share [Nominal Value of Rs.10/- per share]	27		
(1) Basic		1.19	0.82
(2) Diluted		1.19	0.82
Face Value of the Share		10.00	10.00
Significant Accounting Policies & Notes forming part of the financial statements			

The accompanying notes are integral part of the financial statements.

As per our report of even date

For A.R.Krishnan & Associates

Chartered Accountants

F.R. No. 009805S

-sd/-

A.Senthil Kumar

Partner

M.No. 214611

Place : Nellore

Date : 11-06-2021

For and on behalf of the Board of Directors

-sd/-

S.Prasad Reddy

Managing Director

DIN : 00069094

-sd/-

B.Durga Prasad

Chief Financial Officer

-sd/-

S.Sharat Reddy

Executive Director

DIN : 02929724

-sd/-

B.Vignesh Ram

Company Secretary

Cash Flow Statement for the year Ended March 31, 2021

S.No	Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Extraordinary Items and Tax	38,941,986	25,870,676
	Adjustments for:		
	Depreciation and impairment of Property, plant and equipment	34,083,660	33,888,302
	Amortisation and impairment of intangible assets		
	Loss on sale of Investments		
	Finance Costs	57,840,342	73,243,157
	Gratuity	-345,108	467,880
	Wealth Tax		-
	(Profit)/Loss on Sale of Vehicle	-	61,198
	Interest Income	(1,817,828)	(2,948,536)
	Creditors no Longer Payable	-	(487,167)
	Bad Debts	6,469,551	-
	Provision for Bad and Doubtful Debts	2,220,415	11,416,086
	Operating Profit/(Loss) Before Working Capital Changes	137,393,017	141,511,597
	Changes in Working Capital:		
	Adjustment for (Increase) / Decrease in Operating Assets		
	Inventories	(113,918,201)	(131,204,180)
	Trade Receivables	(66,289,002)	(34,593,984)
	Short term Loans and Advances	(64,488,695)	21,052,355
	Bank Balances Other than cash & Cash Equivalents	(7,076,025)	24,926,188
	Others	(16,220,198)	-
	Adjustment for Increase / (Decrease) in Operating Liabilities		
	Trade Payables	25,962,125	44,497,674
	Other Current Liabilities	-1,015,827	651,574
	Long Term Provisions	-1,099,459	(165,722)
	Short Term Provisions	5,033,168	8,326,980
	Cash generated from operations	(101,719,098)	75,002,482
	Cash outflow due to Exceptional Items		-
B.	Cash generated from operations	(101,719,098)	75,002,482
	Net Income Tax (Paid)/Refund	(4,318,333)	(7,486,968)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES - A	(106,037,431)	67,515,514
	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital Expenditure on Fixed Assets	(41,148,301)	(15,432,998)
	Decrease / (Increase) in Capital Work in Progress	(5,538,598)	(14,722,137)
	Proceeds from Sale of Fixed Assets	-	100,000
	Long Term Loans and Advances	(11,478,191)	809,841
	Interest Received	1,817,828	2,948,536
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES - B	(56,347,262)	(26,296,758)



S.No	Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds / (Repayment) from / of Long Term Borrowings	90,741,392	(2,875,643)
	Current Maturities of Long term Debt	(15,004,863)	104,590
	Other Short term Borrowings	149,323,963	29,493,848
	Trade Payables	(7,310,191)	757,070
	Finance Costs	(57,840,342)	(73,243,157)
	capital subsidy received from government	6,655,294	-
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES - C	166,565,254	(45,763,293)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	4,180,562	(4,544,537)
	Cash and Cash Equivalents at the beginning of the year	10,821,460	15,365,998
	Cash and Cash Equivalents at the end of the year	15,002,022	10,821,460
	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	141,444	199,721
	Balance with Banks		
	- in Current Accounts	14,860,578	10,621,739
	- in Deposit Accounts		-
		15,002,022	10,821,460

As per our report of even date

For A.R.Krishnan & Associates

Chartered Accountants

F.R. No. 009805S

-sd/-

A.Senthil Kumar

Partner

M.No. 214611

Place : Nellore

Date : 11-06-2021

For and on behalf of the Board of Directors

-sd/-

S. Prasad Reddy

Managing Director

DIN : 00069094

-sd/-

B.Durga Prasad

Chief Financial Officer

-sd/-

S.Sharat Reddy

Executive Director

DIN : 02929724

-sd/-

B.Vignesh Ram

Company Secretary

Notes forming part of the Financial Statements

Note - 3 : Fixed Assets

Particulars	Freehold Land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Lab Equipments	Computers	Electrical Fixtures	Pond Construction	Jetty	Tools & Equipments	Total PPE	Capital WIP
At March 31, 2020	51,707,172	132,750,531	223,101,334	4,036,213	48,261,741	3,105,350	1,728,735	1,533,722	8,633,144	40,664,764	5,348,201	13,045,297	531,916,203	15,729,362
Additions	2,706,500	5,227,637	24,589,147	362,760	6,892,290	489,608	-	223,560	60,830	-	-	595,969	41,148,301	23,396,322
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-17,857,724
At March 31, 2021	54,413,672	137,978,168	247,690,481	4,398,973	53,154,031	3,594,959	1,728,735	1,757,281	8,693,974	40,664,764	5,348,201	13,641,266	573,064,504	21,267,960
Depreciation and Impairment														
At March 31, 2020	-	22,727,152	52,070,300	1,803,945	16,707,463	2,130,623	366,892	795,336	5,457,756	8,634,451	1,434,741	3,751,516	115,880,175	-
Depreciation charge for the year	-	6,841,975	15,336,946	415,645	5,936,249	423,267	164,144	331,206	655,903	2,158,613	358,685	1,336,333	33,958,966	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	-	29,569,126	67,407,246	2,219,589	22,643,712	2,553,890	531,036	1,126,541	6,113,659	10,793,064	1,793,426	5,087,850	149,839,141	-
Carrying Amount														
As at March 31, 2021	54,413,672	108,409,041	180,283,235	2,179,383	30,510,318	1,041,068	1,197,699	630,740	2,580,315	29,871,700	3,554,774	8,553,416	423,225,363	21,267,960
As at March 31, 2020	51,707,172	110,023,379	171,031,034	2,232,269	29,554,278	974,727	1,361,843	738,386	3,175,388	32,030,313	3,913,460	9,293,781	416,036,028	15,729,362
As at March 31, 2019	51,707,172	114,805,835	179,661,086	2,393,842	29,362,280	1,107,870	1,525,987	485,282	3,789,160	34,188,925	4,272,145	9,550,450	432,830,033	2,699,426
As at March 31, 2018	51,471,672	84,507,604	158,389,879	2,958,419	21,961,085	1,606,543	1,690,131	270,761	4,409,432	36,347,538	4,630,830	2,946,346	371,190,239	6,666,313

Notes forming part of the Financial Statements

(I) Assets

1) Non Current Assets

Particulars	Note No.	As At March 31, 2021	As At Mar 31, 2020
Other Non-Current Assets	4		
Unsecured, Considered Good		-	-
(to Parties other than related Party)			
Capital Advances			
Advances Other than Capital Advances			
Balances With Government Authorities			
Security Deposits		24,621,431	13,143,240
Other Advances			
Total (a+b+c)		24,621,431	13,143,240
(h) Trade Receivables	4.1	48,136,851	15,615,623
Less : Allowance for Doubtful debts		-	-
Total	4.1	48,136,851	15,615,623
2) Current Assets			
(A) Inventories :	5		
(As valued and certified by the Management)			
(i) Raw Materials		129,140,116	33,319,336
(ii) Finished Goods		507,916,876	478,575,623
(iii) Stock of Spares		15,975,279	8,717,722
(iv) Biological Asset		-	18,501,390
Total		653,032,271	539,114,071

(B) Financial Assets :

(i) Trade Receivables :	6		
Trade Receivables		420,639,272	386,871,498
Less : Allowance for Doubtful debts			-
		420,639,272	386,871,498
Receivables from Related Parties			-
Total		420,639,272	386,871,498
Current		420,639,272	386,871,498
Non-Current			-
Breakup of Good and Doubtful Debts			
Unsecured, Considered good		420,639,272	386,871,498
Unsecured, Considered doubtful			-
Total		420,639,272	386,871,498
Impairment Allowance (allowance for bad and doubtful debts):			
Unsecured, Considered good		420,639,272	386,871,498
Unsecured, Considered doubtful		-2,220,615	-
Total		418,418,657	386,871,498
(ii) Cash and Cash Equivalents :	7		
(a)Cash on hand		141,444	199,721
(b)Balances with Banks:			
i) in Current Accounts		14,860,578	10,621,739
ii) Deposits with original maturity of less than 3 months		-	-
Current		15,002,022	10,821,460
Non-Current			
(ii) Bank Balances Other Than Referred Above	8		
(a) Earmarked balances :			
i) Unclaimed dividend account		-	-
ii) In deposit accounts		29,268,514	22,192,489
(b) Balances with banks :			
Deposits with original maturity of more than 3 months		-	-
(c)EEFC Balances		0	-
(d) Deposit Accounts		-	-
Total		29,268,514	22,192,489
(v) Others	8.1	86,967,080	22,478,385

(C) Other Current Assets	9		
(a) Loans and Advances to Employees			
Unsecured, considered good		(17,072)	48,770
Less : Provision for Doubtful Advances		-	-
		(17,072)	48,770
(b) Loans and Advances to Vendors & Others		5,365,895	6,527,772
(b) Prepaid Expenses		5,033,144	2,473,735
(c) Balances with Government Authorities		25,234,424	24,517,446
(d) Others		54,210,490	43,894,348
Total		89,843,952	77,413,300

(II) EQUITY & LIABILITIES

1) Equity

Particulars	Note No.	As At March 31, 2021	As At Mar 31, 2020
a) Equity Share Capital	10		
Authorised :			
Equity Shares of Rs. 10/- each		300,000,000	300,000,000
No. of shares FY : 3,00,00,000 (PY : 3,00,00,000)			
Redeemable Preference Shares of Rs. 100/- each		200,000,000	200,000,000
No. of shares FY : 20,00,000 (PY : 20,00,000)			
		500,000,000	500,000,000
Issued, Subscribed and Paid up:			
Equity Shares of Rs. 10/- each fully paid up		220,125,000	220,125,000
No. of shares FY : 2,20,12,500 (PY : 2,20,12,500)			
		220,125,000	220,125,000

(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, 2021	As At Mar 31, 2020
Equity Shares:			
Number of Shares at the beginning of the year		22,012,500	22,012,500
Add: Allotted during the year		-	-
Less: Bought back during the year		-	-
Number of Shares at the end of the year		22,012,500	22,012,500

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

Name of Share holder	Note No.	As At March 31, 2021	As At Mar 31, 2020
		No. of Shares - % held	No. of Shares - % held
S.Prasad Reddy		8814800-40.04%	8814800-40.04%
S. Sharat Reddy		2463800-11.19%	2463800-11.19%
b) Other Equity	11		
Capital Reserve			
Opening Balance		140,832,436	140,832,436
Add: Additions during the year		-	-
Closing Balance A		140,832,436	140,832,436
Capital Subsidy			
Opening Balance		-	-
Closing Balance B		-	-
Surplus/(Deficit) in Statement of Profit and Loss			
Opening Balance		187,236,381	169,218,703
Add: Profit for the year		26,162,356	18,017,678
Add/(Less) : Adjustment on Account of Term Loan Ind As Adjustment		-	-
Closing Balance C		213,398,737	187,236,381
Total (A+B+C)		354,231,173	328,068,817

2) Non Current Liabilities

Particulars	Note No.	As At March 31, 2021	As At Mar 31, 2020
(a) Financial Liabilities	12		
(i) Borrowings			
Term Loan from Bank (Secured)		99,423,978	34,589,645
Hire Purchase Loans From Banks		8,703,168	4,454,708
From Others		61,381,192	39,722,592
(ii) Other Financial Liabilities	12.1		
Other Loans		42,292,910	57,297,773
Advances from Customers		7,066,116	6,776,185
MPEDA		6,655,294	
Deferred Advance from Rental Deposits		433,884	723,815
Total		225,956,542	143,564,718
(iii) Trade Payables	12.2	18,179,274	25,489,465
(b) Provisions	13		
Provision for employee benefits			
Post Retirement Benefits		744,886	1,844,345
Compensated Absences		-	-
		744,886	1,844,345
(c) Deferred Tax Liability	14		
On account of brought forward Losses			
Deferred Tax Liability			
On difference between book balance and tax balance of fixed assets		30,701,018	27,910,529
Deferred Tax Asset			
On Account of Minimum Alternate Tax		19,721,254	23,559,383
Net Deferred Tax Asset		10,979,765	4,351,146

a. Nature of Security:

1. Term Loan from Axis Bank is secured by the charge of Fixed Assets to be Procured.
2. Hire Purchase Loans are secured by way of hypothecation / charge of respective vehicles financed. The Loans are repayable in 48 monthly installments.

3. Current Liabilities

Particulars	Note No.	As At March 31, 2021	As At Mar 31, 2020
(a) Financial Liabilities			
(i) Borrowings	15		
Loans Payable on Demand			
From Banks		637,943,558	476,130,458
From Others		-	-
		637,943,558	476,130,458
(ii) Trade Payables	16		
Trade Payables to Micro ,Small and Medium Enterprises		-	-
Trade Payables to Related Parties		-	-
Trade Payables Other than Micro Small and Medium Enterprises			
- For Supplies and Services		264,066,890	237,641,006
- For Expenses and Others		2,968,275	3,432,034
		267,035,165	241,073,040
(iii) Other Financial Liabilities	17		
Current Maturities of Long Term Borrowings		9,153,344	21,197,030
Provision for Gratuity		172,134	617,586
Current Maturities of Long Term Borrowings			
		9,325,478	21,814,616
(b) Other Current Liabilities	18		
(i) Statutory Remittances		966,157	2,493,930
(ii) MPEDA		511,946	-
		1,478,103	2,493,930
(c) Provisions	19		
Provision for others			
(a) Provision for Taxes (Net of Advance Tax)		7,016,693	14,999,978
(b) Provision for Expenses		56,938,617	39,857,166
		63,955,310	54,857,144
TOTAL (a+b+c)		979,737,615	796,369,189

4) Revenues

Particulars	Note No.	For the year ended March 31, 2021	For the year ended Mar 31, 2020
Revenue from Operations:	20		
(a) Sale of Products		2,346,240,269	1,824,141,237
(b) Sale of Services		48,703,774	81,782,608
(c) Other Operating Revenues		114,832,856	93,999,936
		2,509,776,899	1,999,923,781
Sale of Products:			
Sale of Shrimp - Export		1,520,480,007	988,760,128
Sale of Feed		495,231,763	538,476,324
Sale of Raw Shrimp		351,106,852	317,702,248
Total		2,366,818,622	1,844,938,700
Less: Sales Return		-	-
Turnover Discount		(20,578,353)	(20,797,463)
Net Turnover		2,346,240,269	1,824,141,237
Sale of Services:			
Job Work Charges		48,703,774	81,782,608
Other Operating Revenue:			
Export Incentives		112,735,450	91,886,961
Sale of Shrimp shell waste		2,097,406	2,112,975
		114,832,856	93,999,936
Other Income :	21		
(a) Interest Income			
(i) On Bank Deposits		1,391,132	2,220,784
(ii) On Others		426,696	727,752
(b) Net gain on Foreign Currency Transactions		6,645,330	10,802,725
(c) Other Non-Operating Income		10,098,237	3,336,396
		18,561,395	17,087,657

Particulars	Note No.	For the year ended March 31, 2021	For the year ended Mar 31, 2020
Consumption of Raw Materials and Packing Materials	22		
Opening Stock		51,820,726	38,957,752
Add: Purchases		2,060,086,406	1,581,248,085
		2,111,907,132	1,620,205,837
Less: Closing Stock - Shrimp		136,766,111	51,820,726
		1,975,141,021	1,568,385,111
Changes in Inventory of finished goods:	23		
Inventories at the end of the year			
Finished Goods - Feed & Shrimps		507,916,876	478,575,623
		507,916,876	478,575,623
Inventories at the beginning of the year			
Finished Goods - Feed & Shrimps		478,575,623	361,752,301
		478,575,623	361,752,301
Stock Loss			
(a) Finished goods/Stock in trade			-
(b) Work-in-progress			-
Total Stock loss		-	-
(Increase) / Decrease in stock		(29,341,253)	(116,823,322)
Employee Benefits Expense :	24		
Salaries, wages and bonus		83,637,281	93,352,343
Staff Welfare and contribution to other Funds		5,993,619	7,250,606
		89,630,900	100,602,949
Finance Costs :	25		
Interest Expense on:			
(i) Interest		57,834,519	72,131,752
(ii) Other Borrowing Costs		5,823	1,111,406
		57,840,342	73,243,157

Particulars	Note No.	For the year ended March 31, 2021	For the year ended Mar 31, 2020
Other Expenses	26		
Manufacturing Expenses			
Power & Fuel		58,200,116	58,177,829
Repairs & Maintenance		-	
- Buildings		1,307,962	1,749,376
- Plant & Machinery		4,790,528	6,293,496
- Electricals		816,450	197,315
Other Manufacturing Expenses		117,336,857	100,676,531
	(a)	182,451,914	167,094,547
Selling Expenses			
Advertisement		560,193	763,749
Ocean freight and export expenses		88,402,694	71,136,165
Marketing Expenses		18,706,859	19,680,851
Discount Allowed		6,158,404	10,576,686
	(b)	113,828,150	102,157,452
Other expenses			
Audit Fees			
For Statutory Audit		250,000	250,000
For Taxation purpose		100,000	100,000
Return preparation		50,000	50,000
For Other Services		150,000	-
Audit Expense		10,925	56,307
Bank Charges		1,312,507	2,701,461
Bad Debts		8,689,966	11,416,086
Donation		500,000	193,000
Consultancy Fees		7,438,373	5,791,937
Communication Expenses		584,225	606,567
General Expenses		2,509,220	3,362,569
Fuel Charges		547,619	459,094
Insurance		2,662,120	1,633,610
Legal, Statutory & Documentation Charges		35,000	615,036
Listing Fee		300,000	300,000
Loss on sale of vehicle		-	61,198
Inspection Charges		79,745	8,400
Office Maintenance		976,956	571,103
Printing & Stationery		842,064	1,052,944

Registration & Renewals		1,004,225	769,224
Rates & Taxes		21,131,279	17,202,003
Security Charges		4,924,654	5,005,946
Office Rent		2,386,200	2,094,500
Foreign Currency Loss		-	-
Cold Storage Maintenance		-	-
Revocation Fees to SEBI		-	-
Travelling & Conveyance Expenses		3,138,267	4,455,910
Vehicles Maintenance		6,138,232	3,835,673
	(c)	65,761,575	62,592,566
Grand Total (a+b+c)		362,041,639	331,844,565

Earnings per Share	27	For the year ended March 31, 2021	For the year ended Mar 31, 2020
Profit / (Loss) After Tax attributable to Equity Shareholders		26,162,356	18,017,678
Weighted average number of equity shares		22,012,500	22,012,500
Basic & Diluted Earnings per Share		1.19	0.82
Face Value of the Share		10.00	10.00

Notes to the Financial Statements for the year ended March 31, 2021

Corporate Information:

Sharat Industries Limited (“the Company”) is a listed public Company incorporated in the year 1990 in India under the Companies Act, 1956. The Company is in the business of Shrimp Aquaculture and manufacture and sale of shrimp feeds.

1 Basis of Preparation of Financial Statements:

Statement of Compliance with Ind AS:

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

Basis of preparation and measurement:

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2 Significant Accounting Policies:

2.1 Property, Plant and Equipment (PPE):

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Property, plant and equipment are initially recognised at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition. Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

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

Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.1. Intangible assets:

Intangible assets that are acquired are recognized at cost initially and carried at cost less

accumulated amortization and accumulated impairment loss, if any. All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Amortisation methods and periods

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

2.3 Capital work-in-progress and intangible assets under development:

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.4 Non-derivative Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost:

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

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual

cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

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

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

Financial liabilities:

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

Equity instruments:

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

Offsetting of financial instruments:

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

2.5 Impairment:

Financial assets (other than at fair value):

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

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

PPE and intangibles assets:

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

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

2.6 Inventories:

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

Biological assets of the Company comprises of livestocks of shrimps breeders and different phases of shrimp that are classified as current biological assets. The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

2.7 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods:

Revenue from sale of shrimps is recognised when all the significant risks and rewards of ownership have been passed to the buyer- normally when the shipment is loaded which is in accordance with industry practice and entitlement of export subsidies are based on shipment of goods. Shipments that have been despatched but have not been delivered at the end of the financial reporting period have been recognised as "Revenue on Shipments in Transit".

Export benefits are accounted on recognition of export sales.

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

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

Rendering of services:

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

Interest Income:

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

Insurance claims:

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

2.8 Research and Development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

2.9 Leases:

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

(i) Operating Lease:

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

(ii) Finance Lease:

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

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

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

2.10 Non-current assets held for sale:

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

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

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

2.11 Employee benefit expenses:

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

(i) Post-employment benefit plans:

Defined Contribution plans

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

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

Defined benefit plans

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

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

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

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

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

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

(ii) Short term employee benefit:

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

2.12 Foreign currency translation:

The functional currency of the Company is Indian rupee

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

2.13 Borrowing cost:

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

2.14 Income tax:

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

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which

case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax:

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

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

Deferred tax:

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

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

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

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

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

2.15 Accounting of provisions, contingent liabilities and contingent assets:

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

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made.

Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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

2.16 Earnings per share (EPS):

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

27 Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of deferred tax assets:

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

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets:

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

Inventories:

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

Defined Benefit Obligation (DBO):

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

Useful lives of depreciable assets:

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

Fair value measurement of financial instruments:

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

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

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

Current and non-current classification:

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

28 Group Structure - Related Party Relationship:

Sl.No	Name of the Related Party	Relationship
1	S.Prasad Reddy	Key Managerial Person (Managing Director)
2	S.Sharat Reddy	Key Managerial Person (Executive Director)
3	S.Devaki Reddy	Relative of Key Managerial Person (Wife of S. Prasad Reddy, Managing Director)
4.	B.Durga Prasad	KMP - Chief Financial Officer
5.	B.Vignesh Ram	KMP - Company Secretary

Related Party Transactions

Particulars	Name of the company	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of goods	-	-	-
Reimbursement of expenses	-	-	-
Receipt of service	-	-	-
Closing balance	-	-	-

Transactions with key management personnel:

Key management Personnel	Particulars of payment	As at March 31, 2021	As at march 31, 2020
S.Prasad Reddy	Remuneration	60,00,000	72,00,000
S.Prasad Reddy	Lease Rent	16,50,000	Nil
S.Sharat Reddy	Remuneration	50,00,000	60,00,000
S.Devaki reddy	Rent	8,82,000	8,54,000
B.Durga Prasad	Salary	14,80,000	-
B.Vignesh Ram	Salary	6,41,669	-
S.Devaki reddy	Salary	5,40,000	-

29 Gratuity and other post-employment benefit plan:

Sl. No.	Particulars	As At March 31, 2021	As At March 31, 2020
	Defined Benefit Plan		
a)	Defined benefit obligation at the beginning of the year	24,61,931	24,18,836
b)	Current Service Cost	2,52,889	2,97,352
	Interest Cost	1,39,345	1,70,528
	Actuarial Gain/(loss)	(9,35,589)	(4,24,785)
	Benefits Paid	(8,83,381)	-
	Defined benefit obligation at the end of the year	10,35,195	24,61,931
	Expense recognized during the year		
	Current Service Cost	2,52,889	2,97,352
	Interest Cost	1,39,345	1,70,528
	Actuarial Assumptions		
	Discount Rate (per Annum)	5.79%	5.66%
	Rate Escalation in salary (per Annum)	10.00%	10.00%

Sensitivity Analysis (Gratuity) :

		Rs.	Impact (Absolute)	%	Rs.	Impact (Absolute)	%
(a)	Discount Rate(-0.50/+0.50%)	10,52,540	17,345	1.68	10,18,453	(16,742)	(1.62)
(b)	Salary Inflation(-1/+1 %)	10,03,211	(31,984)	(3.09)	10,68,811	33,616	3.25
(c)	Withdrawal rate(-5/+5 %)	11,39,272	1,04,077	10.05	9,49,616	(85,279)	(8.24)

Maturity Profile of Defined Benefit Obligation (Gratuity):

Particulars	31-Mar-21	31-Mar-20
Year 1	1,73,940	6,20,568
Year 2	1,68,129	4,19,893
Year 3	1,79,772	4,02,446
Year 4	1,59,197	3,37,988
Year 5	1,40,591	2,74,022
After 5th Year	4,61,050	8,86,372

30 Commitments and contingencies:

Contingent Liabilities:

The Company is involved in a number of judicial, appellate and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. A summary of claims asserted on the Company in respect of these cases have been summarised below.

Tax contingencies:

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

Nature of Tax	As at March 31, 2021 (Rs. in lakhs)	As at March 31, 2020 (Rs. in lakhs)
Customs & Excise Duty	76.31	76.31
Service Tax	31.50	31.50
Income Tax (CIT, Appeals)	96.61	96.61

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

Amount in respect of other claims:

Bank Guarantees issued on behalf of the company:

Name of bank	As at March 31, 2021 (Rs. in lakhs)	As at March 31, 2020 (Rs. in lakhs)
Federal bank	29.39	47.56

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

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



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

31 Segment Reporting:

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

32 Financial risk management objectives and policies:

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk:

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended March 31, 2016, all other variables being held constant. These changes are reasonably possible based on observation of current market conditions.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with average interest rates.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. If interest rates increase or decrease by 100 basis points with all other variables being constant, the Company's profit after tax for the year ended March 31, 2021 would decrease or increase by Rs. Nil .(March 31, 2020 : Rs. Nil).

Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity:

Currency	As at March 31, 2021		Currency	As at March 31, 2020	
	Financial assets	Financial liabilities		Financial assets	Financial liabilities
USD	35,51,070	-	USD	21,24,535	-

Set out below is the impact of a 10% change in the US dollar on profit arising as a result of the revaluation of the Company's foreign currency financial instruments:

Currency	As at March 31, 2021		Currency	As at March 31, 2020	
	Closing rate	Effect of 10% strengthening of USD on net earnings		Closing rate	Effect of 10% strengthening of USD on net earnings
USD	73.11	3551070	USD	74.76	212453.5

The impact on total equity is the same as the impact on net earnings as disclosed above.

Credit risk:

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, deposits, loans etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, as summarised below:

Investments	-	-
Trade Receivable	46,66,55,508	38,68,71,498
Cash and bank balances	1,50,02,022	1,08,21,460
Bank Balances other than above bank balances	2,92,68,514	2,21,92,489
Other Financial assets		
Total	51,09,26,045	41,98,85,447



The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporate this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

Liquidity risk:

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2021 and March 31, 2020.

As at 31st march 2021	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	63,79,43,558	16,95,08,338	-	80,74,51,897
Trade Payables	26,70,35,165	1,81,79,274	-	28,52,14,439
Other Financial Liabilities	93,25,478	5,64,48,204	-	6,57,73,682
Total	91,43,04,202	24,41,35,817	-	1,15,84,40,018
As at 31st march 2020	Current	Non current		Total
	Within 12 Months	1-5 years	More than 5 years	
Borrowings	47,61,30,458	7,87,66,946	-	55,48,97,404
Trade Payables	24,10,73,040	2,54,89,465	-	26,65,62,505
Other Financial Liabilities	2,18,14,616	6,47,97,773	-	8,66,12,389
Total	73,90,18,114	16,90,54,184	-	90,80,72,298

33 Capital Management:

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders' value . The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds.. The Company's policy is to use short term and long term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises share capital and free reserves (total reserves including capital reserve). The following table summarizes the capital of the Company:

Particulars	March 31, 2021	March 31, 2020
Share Capital	22,01,25,000	22,01,25,000
Free Reserves	21,33,98,737	18,72,36,381
Equity (A)	43,35,23,737	40,73,61,381
Short term borrowings	63,79,43,558	47,61,30,458
Long Term Borrowings	22,59,56,542	14,35,64,718
Current Maturities of Long term borrowings	91,53,344	2,11,97,030
Debt (B)	87,30,53,444	64,08,92,206

Cash and Cash Equivalents	1,50,02,022	1,08,21,460
Short Term Investments	-	-
Total Cash (C)	1,50,02,022	1,08,21,460
Net Debt (B-C)=D	85,80,51,422	63,00,70,746
Net Debt to Equity Ratio (D/A)=E	1.98	1.55

34 Previous year figures:

Previous year's figures have been restated, rearranged and regrouped, wherever necessary to enable comparability of the current year's position of accounts with that of the relative previous year's position.

35 Approval of Financial Statements:

The financial statements were approved for issue by the Board of Directors on June 11, 2021.

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

Chartered Accountants

FRN No: 009805S

-sd/-

A.SENTHIL KUMAR

Partner

M.No: 214611

For and on behalf of the Board of Directors

-sd/-

S. PRASAD REDDY

Managing Director

(DIN :07506651)

-sd/-

S. SHARAT REDDY

Director

(DIN :03137732)

Place: Nellore

Date: 11th June 2021

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 31st Annual General Meeting (AGM) of the Members of the Company will be held on Monday, the 27th September, 2021, at 10:00 A.M through Video Conferencing (“VC”) Other Audio-Visual Means (“OAVM”) to transact the following business;

ORDINARY BUSINESS | ORDINARY RESOLUTION:

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

To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2021, together with the Report of the Directors and the Report of the Auditors thereon.

RESOLVED THAT the Board’s Report and the Audited Financial Statements for the year ended 31st March, 2021 along with the report of the Auditors thereon be and are hereby considered and adopted

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

To consider the re-appointment of Mr. P. Shanmugam (DIN: 08877587), who retires by rotation at this meeting and being eligible has offered himself for re-appointment.

RESOLVED THAT Mr. P. Shanmugam (DIN: 08877587), who retires by rotation be and is hereby re-appointed as a Non- Executive & Non-Independent Director of the Company.

By Order of the Board,
For **SHARAT INDUSTRIES LIMITED**

-sd/-

S. PRASAD REDDY
CHAIRMAN

PLACE: CHENNAI

DATE: 12th August, 2021

NOTES

1. In view of the ongoing pandemic, the 31st (Thirty-first) AGM of the Company is being conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM), which does not require physical presence of Members at a common venue. The AGM is convened in line with the requirements of the circulars issued by the Ministry of Corporate Affairs (MCA) dated 5th May, 2020 and 13th January, 2021 read with other previous circular issued in that connection and Circular No. SEBI/HO/ CFD/ CMD1/CIR /P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the 31st (Thirty-first) AGM shall be deemed to be the Registered Office of the Company situated at Venkannapalem, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, 524 002
2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 31st (Thirty-first) AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts concerning each item of special business is not applicable, as no special business is proposed to be transacted.
4. M/s A R Krishnan & Associates, Chartered Accountants, Chennai, (Firm Registration No: 009805S), were appointed as the Statutory Auditors of the Company for a term of consecutive five years in the 27th Annual General Meeting of the Company. Pursuant to the notification from the Ministry of Corporate Affairs (MCA) dated 07th May, 2018, the requirement for placing the matters relating to the ratification of the Auditors has been done away. Hence, the resolution for ratification of Auditors has not been placed in this AGM.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at cs@sharatindustries.com not before the 48 hours of the meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members will be entitled to vote.
8. The Board of Directors in the meeting held on 12th August, 2021 appointed Mr. Amresh Kumar, Practicing Company Secretary holding membership no. 32262 and Certificate of

Practice Number 22067 as the scrutinizer to scrutinize the remote e-voting process and the issue the report of the scrutinizer thereon.

9. The Register of Members and Share Transfer Books will remain closed from 21st September, 2021 to 27th September, 2021 (both days inclusive) for the purpose of the AGM.
10. The details as required under Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect to brief resume of Directors proposed to be reappointed, nature of their expertise in specific functional areas, names of listed companies in which they hold directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.
11. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on "General Meetings" is not attached since the Meeting will be conducted through VC/OAVM.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidation into a single folio.
13. The company's equity shares are listed with Bombay Stock Exchange Ltd.
14. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for any assistance in this regard.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

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



3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sharatindustries.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

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

- (i) The voting period begins on 24th September, 2021 9:00 AM and ends on 26th September, 2021 05:00 PM. 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 20th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL (Electronic Access to Securities information), can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to (Electronic Access to Securities information) is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the (Electronic Access to Securities information) user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINK IN TIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for (Electronic Access to Securities information), option to register is available at https:// web.cdslindia.com /myeasi/Registration/Easi Registration <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with **NSDL**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for ‘IDeAS’ e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

7. After entering these details appropriately, click on “SUBMIT” tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN Number: 210825001 on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.



14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17. Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sharatindustries.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@sharatindustries.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@sharatindustries.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/ AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



11. The Scrutiniser shall, after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting and unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make not make later than 48 hours of the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorised by him, who shall countersign the same and declare the result of the voting forthwith.
12. The results declared with the Scrutinizer's Report shall be placed on the Company's website (www.sharatindustries.com) and on the website of CDSL immediately. The Company shall simultaneously forward the same to BSE Limited, where the shares of the Company are listed.

Annexure

Details of the Director retiring by rotation and seeking re-appointment at the Annual General Meeting pursuant to i) Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ii) Secretarial Standards on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are as under:

S.No	Particulars	Details
1.	Name of the Director	Mr. P. Shanmugam
2.	Director Identification Number	08877587
	Nationality	Indian
4.	Date of Birth	18.06.1968
5.	Age	53 years
6.	Terms and Condition of Re-appointment	Non-Executive, Non-Independent Director liable to retire by rotation.
7.	Date of first appointment on the Board	12.11.2020
8.	Shareholding in the Company as 31 st March, 2021.	Nil
9.	Expertise in specific functional areas	Marketing and Financial Advisor
10.	List of Directorship held in other companies	Nil
11.	Relationship with other Directors	Nil



SHARAT INDUSTRIES LIMITED

Registered Office

Venkannapalem Village,
T.P. Gudur Mandal
SPSR Nellore District
Andhra Pradesh - 524 008
Phone : 08612331727
Email : cs@sharatindustries.com
Website : www.sharatindustries.com

Corporate Office

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

Feed Marketing Office

Flat 2B, 2nd Floor, Block - B,
Sea Doll Apartments,
Nowroji road,
Vishakapatnam - 530 002
Phone : 7496466919
Email : feed@sharatindustries.com