

SHARAT INDUSTRIES LIMITED

# SHARAT INDUSTRIES LIMITED



Report  junction.com

10th Annual Report 1999-2000

SHARAT INDUSTRIES LIMITED

BOARD OF DIRECTORS

- |    |                          |                              |
|----|--------------------------|------------------------------|
| 1. | Mr. S. Prasad Reddy      | Chairman & Managing Director |
| 2. | Mr. A. Ramakrishna Reddy | Director                     |
| 3. | Mr. N. Suresh            | Director                     |
| 4. | Mr. Tan Kay Hwee         | Director                     |
| 5. | Mr. Yi-Tung Kao          | Director                     |
| 6. | Mr. S.K. Das             | Director                     |
| 7. | Mr. M. Kishore Babu      | Nominee Director - IFCI      |

BANKER

Bank of Baroda

AUDITORS

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

REGISTERED OFFICE & FARM

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

CORPORATE OFFICE

No. 16 Justice Sundaram Road  
Nageshwarapuram  
Mylapore  
CHENNAI - 600 004.

**NOTICE**

NOTICE is hereby given that the TENTH Annual General Meeting of the Members will be held on Thursday, the 28th September, 2000, at 10 a.m. at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore to consider the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Das who retires by rotation and has not offered himself for reappointment.
3. To appoint a Director in place of Mr. A. Ramakrishna Reddy who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

PLACE : VENKANNAPELEM BY THE ORDER OF BOARD OF DIRECTORS  
DATE : 16-08-2000 for SHARAT INDUSTRIES LIMITED

(Sd)

S. PRASAD REDDY

CHAIRMAN &amp; MANAGING DIRECTOR

Report Junction.com

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED ON 28 SEPTEMBER, 2000.

SHARAT INDUSTRIES LIMITED

**DIRECTORS' REPORT**

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

The Directors have pleasure in presenting the Tenth Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2000.

**FINANCIAL RESULTS**

Particulars	YEAR ENDED 31-03-2000 (Rs. in lakhs)	YEAR ENDED 31-03-1999 (Rs. in lakhs)
Total Income	185.38	193.61
Profit (+) / Loss (-)	(-) 1290.55	(-) 1408.86
Prior period adjustments	(+) 30.25	—
Balance Brought Forward	(-) 2233.71	(-) 824.85
Balance Carried forward	(-) 3494.01	(-) 2233.71

**OPERATIONS**

The Aqua Culture Industry which has passed through difficult stages during earlier years is continuing to show improvement. Remedial measures taken on culture front such as chlorinating the water before pumping into the ponds are yielding good results. During the year 1999-2000 your company could operate the Hatchery, Farm and also the Feedmill and achieve a turnover of Rs.177.79 Lakhs.

In spite of financial constraints, your company could complete and commence commercial production in the Feedplant and produce a quantity of 75 tons and sell 24.971 tons during the year. Non availability of working capital assistance from the Bank forced us to keep the operations at lower level. We are negotiating with the Bank and looking forward for a positive response.

**SICKNESS**

As already informed in the last annual report, since the accumulated losses have completely eroded the Net Worth of the company, a reference was made to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985. But the reference was rejected by the BIFR for the reason that the commercial production in the Feedmill has not been commenced and that the interest relating to 1997-98 which was earlier kept in Capital work-in progress was charged to profit and loss account. However the accumulated loss of Rs.34.94 crores for the current year have completely eroded the Net Worth. We are making a fresh reference to the BIFR under SICA to determine measures for rehabilitation of the company.

**Future Outlook :**

Now that Feed Plant has been brought into operation, your company hopes to achieve improved performance in the coming years. We are putting all our efforts to complete the Processing Plant at the earliest.

**PARTICULARS OF EMPLOYEES**

In pursuance of the provisions of Section 217(2A) of the companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, the Directors are to report that no employee was in receipt of remuneration of Rs.6,00,000/- or more per annum or Rs.50,000/- or more per month if employed for a part of the year.

## SHARAT INDUSTRIES LIMITED

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

- (a) Conservation of Energy : The Company is monitoring the consumption of energy and is identifying the areas for conservation of energy.
- (b) (i) Technology Absorption, adaptation and Innovation :
- (1) The company has entered into Technical Collaboration Agreement with M/s. HIGH WON FISHERY DEVELOPMENT CORPORATION SINGAPORE for the transfer of Technical Know-how and Training the production personnel of the organisation.
  - (2) Buy-back Agreement : The Company has entered into Buy-back Agreement for its products with M/s. High Won Fishery Development Corporation, Singapore.
- (ii) Research and Development (R&D) : The Company is in the process of identifying areas in which R&D can be carried out.
- (c) Foreign Exchange earnings and out go :
- (i) Foreign Exchange earnings : US \$193027.48 (equivalent to Rs.83.54 Lakhs)
  - (ii) ForeignExchange outflow during the year on account of Raw Materials US \$ 197699.5 (equivalent to Rs.83.05 Lakhs)

**DIRECTORS**

Mr. A. Ramakrishna Reddy retires by rotation and being eligible, offers himself for reappointment.

Mr. S.K. Das who is also retiring by rotation is not seeking reappointment.

**AUDITORS**

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

**PERSONNEL**

The relations between the management and the staff were very cordial throughout the year. Your Directors take this opportunity to record their appreciation for the cooperation and loyal services rendered by the employees.

**DEPOSITS**

The Company has not accepted any deposits during the year.

**ACKNOWLEDGEMENTS**

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

By order of Board  
for SHARAT INDUSTRIES LIMITED

(Sd)

S. PRASAD REDDY  
CHAIRMAN & MANAGING DIRECTOR

PLACE : VENKANNAPELEM  
DATE : 16-08-2000