

SHARAT INDUSTRIES LIMITED



28th Annual Report 2017-2018

BOARD OF DIRECTORS

- | | | |
|----|----------------------------|----------------------------|
| 1. | Mr. S. Prasad Reddy | Managing Director |
| 2. | Mr. Veeraju Manda | Independent Director |
| 3. | Mr. M.B.R. Prasad | Independent Director |
| 4. | Mr. S. Sharat Reddy | Whole Time Director (ED) |
| 5. | Mrs. Durga Thota | Woman Independent Director |
| | Mr. V.C. Ramakrishna Kumar | CFO |
| | Mr. Kshetramohan Hota | Company secretary |

BANKERS

THE FEDERAL BANK LIMITED

AUDITORS

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

INTERNAL AUDITORS

M/s Rao & Sharma,
Chartered Accountants

REGISTERED OFFICE & FARM

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

CORPORATE OFFICE

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

Web Site: www.sharatindustries.com

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SHARAT INDUSTRIES LIMITED
(CIN: L05005AP1990PLC011276)

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

NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of the Company will be held on **Saturday, the 29th September, 2018**, at 10.00 a.m. at the Registered Office of the Company at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Sharat Reddy (DIN: 02929724), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **REAPPOINTMENT AND PAYMENT OF REMUNERATION TO MR. S. PRASAD REDDY AS MANAGING DIRECTOR :**

To Consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT Pursuant to provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, consent of the members be and is hereby accorded for appointment of Mr. S. Prasad Reddy (DIN: 00069094) as Managing Director of the Company for a period of Three (3) years from 1st April, 2018 on the following terms and conditions mentioned below.

(a) Salary : Rs.7,00,000 per month

Other Perquisites:

1. Leave travel concession: For self and family, once in a year incurred in accordance with the rules specified by the company.
2. Payment of provident fund on salary
3. Provision for payment of Gratuity as per the rules of the company.
4. Encashment of leave at the end of the tenure

Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges if any from time to time as available to other Sr.

Executives of the Company.

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year, during his tenure as Managing Director, minimum remuneration shall alone be paid as prescribed under provisions of the Companies Act, 2013 and Schedule V.

"RESOLVED FURTHER THAT the board of directors of the company be and are hereby authorised to do all such act and deeds as may be necessary to give effect to this resolution"

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S. PRASAD REDDY
MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the company. The instrument of Proxy in order to be effective should be deposited at it's Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2018 to 29th September 2018.(both days inclusive)
3. An explanatory statement pursuant to section 102(1) of the companies act, 2013 in respect of special business is annexed hereto.
4. Members are requested to immediately intimate any change in their address registered with the company.
5. The company's equity shares are listed with Bombay Stock Exchange Ltd.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable consolidation of their shareholdings in one folio.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Brief résumé of all Directors proposed to be appointed/reappointed; nature of their expertise in specific functional areas, Names of Companies in which they hold

Directorships as stipulated under Regulation 36(3) of the SEBI Listing Obligations and Disclosure Requirements Regulations, are annexed hereto. The concerned Directors have furnished the requisite declarations for their appointment/reappointment.

9. The Securities and exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their details to the company.
10. Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
11. Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.sharatindustries.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Venkannapalem Village, T.P. Gudur Mandal, Nellore District, Andhra Pradesh, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
12. Voting through Electronic means:
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing regulations, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Twenty Eighth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL.
 - (ii) The voting period begins on 26-09-2018 at 9.00 a.m. and ends on 28-09-2018 at 5.00 p.m.,. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-09-2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label) In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password

confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section, or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement

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

Item No.3

At the Annual General Meeting held on 30th September 2015, pursuant to provisions of Sections 196 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), appointed Mr. S. Prasad Reddy (DIN: 00069094) as a Managing Director for a period of 3(Three) years with effect from 01.04.2015. Now the Board of Directors of the Company (the 'Board'), at its meeting held on 14th February, 2018 based on the recommendations of the Nomination and Remuneration Committee approved the reappointment and remuneration subject to approval of shareholders as detailed below.

It is proposed to seek the members' approval for the appointment of and fixation of remuneration payable to Mr. S. Prasad Reddy as Managing Director in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made there under.

Mr. S. Prasad Reddy satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board recommends that the resolution being item No.3 of the convening notice for his reappointment be passed

MEMORANDUM OF INTEREST:

Mr.S. Prasad Reddy is interested or concerned in the resolution. Apart from him, Mr. S. Sharat Reddy, Director, who is a relative is also deemed to be concerned in the resolution.

None of the other Directors, key managerial personnel and their relatives are interested or concerned, financially or otherwise, in the resolution.

BY THE ORDER OF BOARD OF DIRECTORS
For SHARAT INDUSTRIES LIMITED

PLACE: VENKANNAPELEM
DATE: 14th August 2018

S. PRASAD REDDY
CHAIRMAN & MANAGING DIRECTOR

I. General Information pursuant to the Second Proviso (iv) to Section II (B) of Part II of Schedule V

The General Information to be given to the shareholders in connection with the appointment of Mr. S. Prasad Reddy as Managing Director and the remuneration payable to him :

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 based on given indicators: Not applicable
5. Export performance and net foreign exchange: The Company makes an export turnover of Rs. 1,00,24,88,955/- during the year.
6. Foreign Investments or collaborations, if any: Nil

II.

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.	<div>(Rs. In 'Lakhs)</div> <table> <tr> <td></td><td>2017-18</td><td>2016-17</td></tr> <tr> <td>Gross Revenue :</td><td>14875.02</td><td>16280.79</td></tr> <tr> <td>Total Expenditure :</td><td>14720.93</td><td>16023.73</td></tr> <tr> <td>Financial Expenses :</td><td>440.27</td><td>469.91</td></tr> <tr> <td>Operating Profit :</td><td>391.81</td><td>393.41</td></tr> </table>		2017-18	2016-17	Gross Revenue :	14875.02	16280.79	Total Expenditure :	14720.93	16023.73	Financial Expenses :	440.27	469.91	Operating Profit :	391.81	393.41
	2017-18	2016-17															
Gross Revenue :	14875.02	16280.79															
Total Expenditure :	14720.93	16023.73															
Financial Expenses :	440.27	469.91															
Operating Profit :	391.81	393.41															
5.	Foreign Investments or collaborators, If any	Nil															