

SHARDA ISPAT LIMITED

BOARD OF DIRECTORS

Shri N K Sarda	- Chairman & Managing Director
Shri. J K Sarda	- Managing Director
Shri. Ghanshyam Sarda	- Whole Time Director
Shri. H K Dass	- Director
Shri. A.K. Mukherjee	- Director
Smt. Poonam Sarda	- Director
Shri. R P Mohanka	- Director
Shri. Ramesh Mantri	- Director

AUDITORS

: LOYA BAGRI & Co.
Chartered Accountants,
Gandhibagh, Nagpur – 440002

INTERNAL AUDITOR

: M.M.Jain
Chartered Accountants,
Kingsway , Nagpur – 440001

BANKERS

: Nagpur Nagrik Sahakari Bank Ltd.,

REGISTERED OFFICE

: Kamptee Road, Nagpur – 440026

PLANT

: Kamptee Road, Nagpur 440026

**ADDRESS FOR CORRESPONDENCE TO
SHARE DEPARTMENT**

: M/s Adroit Corporate Services Pvt.
Ltd
19/20, Jaferbhoy Industrial Estate,
Makwana Road,
Marol Naka, Marol, Andheri (E)
Mumbai 400 059

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 50th Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Friday, the 30th day of September, 2011 at 10.00 a.m at the Registered Office of the Company at Kamptee Road, Nagpur – 440 026 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2011 and the Reports of the Directors and Auditors thereon..
- 2) To appoint a Director in place of Smt. Poonam Sarda who retires by rotation at this meeting and being eligible, offers herself for re-appointment.
- 3) To appoint a Director in place of Shri Rajendra Prasad Mohanka who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint auditors and to fix their remuneration.

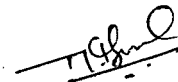
SPECIAL BUSINESS:

- 5) To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“Resolved that pursuant to section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, be and is hereby authorized to borrow money from time to time up to a limit of not exceeding in the aggregate Rs. 100.00 Crores (Rupees One Hundred Crores only) notwithstanding that the money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained by the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

Registered Office :
Kamptee Road,
Nagpur 440026

By Order of the Board,



N.K.Sarda
Chairman & Managing Director

Date : 29.08.2011

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) The Register of Members and Share Transfer Books of the company will remain closed from 29th September, 2011 to 30th September, 2011 (both days inclusive)

3) Members are requested to:

- a) Intimate to the company the changes, if any, in their registered addresses along with **Pin Code Number**.
- b) Quote their **Folio Number**.

4) Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all shareholdings into one folio.

5) A blank proxy form is sent herewith.

6) The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting .

7) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting .

8) Members are requested to make all correspondence relating to share department at the following address :

ADROIT CORPORATE SERVICES PRIVATE LIMITED
19/20, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Marol, Andheri (E)
Mumbai 400 059

EXPLANATORY STATEMENT
(Pursuant To Section 173(2) of the Companies Act, 1956)

Item No. 5:

In view of enabling the Board of Directors of the Company to borrow money from time to time in the course of business of the Company where such money to be borrowed along with the money already borrowed in the ordinary course of business of the Company exceeds the aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purpose) as more particularly stated in the resolution it is necessary to authorize the Board to borrow accordingly and to fix up a certain limit in aggregate in that behalf.

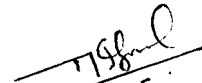
Section 293(1)(d) of the Companies Act, 1956 requires the Company to obtain a consent of the members of the Company in the general meeting by way of an ordinary resolution to exercise the borrowing powers by the Board in the circumstances stated therein..

The Directors therefore recommend that the resolution be passed.

None of Directors of the Company is interested or concerned in any way in the said resolution.

Registered Office :
Kamptee Road,
Nagpur 440026

By Order of the Board,



N.K.Sarda

Chairman & Managing Director

Date : 29.08.2011

DIRECTORS' REPORT

To the Members of **SHARDA ISPAT LIMITED**

Your Directors are pleased to present the 50th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011:

1) REHABILITATION SCHEME & FINANCIAL RESULTS :

The Rehabilitation Scheme sanctioned to the Company by Hon'ble Board For Industrial and Financial Reconstruction (BIFR) vide their Order dated 23.02.2010 has almost been implemented by the Company.

Accordingly, the financial results of the Company in respect of the year under review pertains to the single demerged unit of the Company i.e. New Unit situated at Kamptee Road Nagpur .

FINANCIAL RESULTS:

	Rs.	Rs.
SALES AND SERVICE CHARGES		38,75,29,943/-
Gross Profit before interest, Depreciation, Taxation Provisions & Extra Ordinary Items		2,15,72,857/-
Add: Extra Ordinary Items		Nil
Gross Profit After Extra Ordinary Items		2,15,72,857/-
Less: Prior Year Adjustment (Net)		12,000/-
Profit Before Taxation		2,15,60,857/-
Less:		
Depreciation	68,11,323/-	
Interest	1,08,63,767/-	
Taxation	3,05,984/-	
		1,79,81,074/-
Net Profit After Taxation		35,79,783/-
Add :Brought forward balance of loss		(2,38,27,222/-)
Loss carried to Balance Sheet		2,02,47,439/-

2. REVIEW OF OPERATIONS :

Like the previous year this year also ended with an inflationary trend in input prices with overall rise in demand for products.

With due implementation of the said Hon'ble BIFR Order the Company has actually taken over and carried out the business and operations of the demerged New Unit of the Company. The financial results for the period under review therefore pertains to the single Unit i.e. New Unit at Kamptee Road, Nagpur which was retained by Company in pursuance of the Rehabilitation Scheme. As such the last year financial results were also prepared for the said New Unit only but on the basis of revision/ trifurcation of the results of all the three units of the Company. This year financial results are therefore comparable with the previous year.

As can be seen from the above, the Company achieved sales turnover of Rs.3875.29 (Ownunit :3,250.05 Lacs and Conversion / Service Rs.625.24 Lacs) Lacs (25229MT) and Conversion Services : Rs. 625.24 Lacs as against Rs. 2470.94 Lacs (7206.654 MT) and Conversion Services Rs. 451.37 Lacs during the last year respectively, registering thereby the growth in turnover of 30.84% over the previous year. After providing Rs. 68.11 Lacs for depreciation and Rs. 108.64 Lacs against interest and further adjusting Rs. 3.04 Lacs towards taxation, the Company earned net profit after tax of Rs. 35.80 Lacs as against Rs. 59.80 Lacs during the previous year.

The decline in profits despite higher sales turnover has been primarily due to higher prices of raw materials resulting in marginal profits, apart from other increased costs.

3. DIRECTORS :

Smt. Poonam Sarda and Shri. Rajendra Prasad Mohanka, retire by rotation and being eligible, offer themselves for re-appointment.

4. FIXED DEPOSITS :

The Company did not accept any fixed deposits during the year under review .

5. SHARE CAPITAL:

In terms of the provisions of Clause 8.6.1 read with Clause 9(a) of the Sanctioned Scheme approved by Hon'ble BIFR vide their Order dated 23.02.2010, the promoters of the Company were obliged to infuse in the Company the funds to the extent of Rs. 85.10 Lacs by way of equity.

Accordingly the Board of Directors of the Company at their meeting held on 31.03.2011 issued and allotted on preferential basis the 8,51,000 equity shares of Rs. 10/- each, credited as fully paid up, aggregating to Rs. 85,10,000/-, to the promoters of the Company. As a result the paid up share capital of the Company has been increased from Rs. 4,22,58,000/- to Rs. 5,07,68,000/- divided into 50,76,800 equity shares of Rs. 10/-, fully paid up. It is worth noting that the said issue of equity shares to the promoters was directed by Hon'ble BIFR to be made irrespective of all the applicable provisions of the Companies Act, 1956 and the SEBI, Stock Exchange Rules & Regulations. Further, the Company has made application to Bombay Stock Exchange for listing of these additional equity shares, which is presently under their consideration.

6. AUDITORS' REPORT & AUDITORS :

The Auditor's Report and its Annexures are self-explanatory. M/s Loya Bagri & Co. Chartered Accountants retire as statutory Auditors of the Company at the conclusion of 50th Annual General Meeting and are eligible for re-appointment.

7. LISTING OF SECURITIES :

The Shares of the Company are presently listed at the stock exchanges namely Mumbai, Ahmedabad, Kolkata, and Pune. The Company has made due payment of the listing fees to all Stock exchanges in respect of the financial year 2011-2012. However, the Company has applied for delisting of its shares from Pune Stock Exchange, Ahmadabad Stock Exchange and The Calcutta Stock Exchange. The Company proposed to delist its shares due to high cost of the Company's shares on these exchanges and therefore to save the excess funds payable on account of listing fees every year.

8. PARTICULARS OF EMPLOYEES :

The particulars of employees as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not furnished as none of the employees was in receipt of remuneration exceeding the prescribed limits.

9. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :

The information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo, is given in the Annexure forming part of the report.

10. DIVIDEND :

In view of meeting out working capital requirements of the Company in ensuing year, your Directors express their inability to recommend any dividend for this year.

11. CORPORATE GOVERNANCE :

A section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is given herein after separately and forms part of this Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies Act, 1956 your Directors to the best of their knowledge and belief hereby confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure.
- ii) Appropriate accounting policies have been selected and applied consistently and have 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 31.03.2011.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a 'going concern' basis;

13. R & T AGENT :

The entire work relating to share transfer and other allied matters in that behalf is looked after by the R & T Agent of the Company i.e. M/s Adroit Corporate Services Private Limited, Mumbai

14. SECRETARIAL COMPLIANCE CERTIFICATE :

The Company has obtained secretarial compliance certificate from Vilas Nichat, Practising Company Secretary, Nagpur and the same is attached hereto forming part of this Directors' Report.

15. ACKNOWLEDGEMENT:

Your directors express their gratitude to Nagpur Nagrik Sahakari Bank Limited and other Bankers of the Company, various Government Departments, Financial Institutions and Business Associates for their continued financial assistance, co-operation and guidance extended to the Company during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year. The Directors are also grateful to all the shareholders for their continued faith and confidence reposed in the Company.

For and on behalf of the Board of Directors

Place : Nagpur
Date : 29.08.2011


N.K.Sarda
Chairman & Managing Director


Poonam Sarda
Director

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY :

The Company lays great emphasis on savings in the cost of energy consumption. Therefore achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. Effective measures such as improved operational and maintenance practices have been taken to minimize the loss of energy as far as possible.

B. TECHNOLOGY ABSORPTION: RESEARCH & DEVELOPMENT

The technology used for the existing project is fully indigenous. The production department of the Company are always in pursuit of finding ways and means to improve the performance, quality and cost effectiveness of products. The consistent efforts are made for the updation of technology being used by the Company as a continuous exercise. The Company does not have a separate Research & Development activity.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

- i. The company has not effected any import or export during the year ended 31.03.2011.
- ii. The inflow of foreign exchange is Nil
- iii. The outflow of foreign exchange is Nil

FORM 'A'
(See Rule 2)

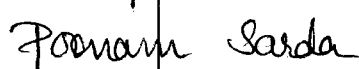
(From for Disclosure of Particulars with respect to Conversation of Energy)

	March 2011	March 2010
D. Power and Fuel Consumption		
1. Electricity		
a) Purchased : Units	36,34,320	30,12,989
Total Amount (Rs.)	1,87,16,748	1,56,53,483
Average Rate /Unit (Rs.)	5.15	5.20
b) Own Generation	NIL	NIL
2. Steam Coal :		
Quantity (Tonnes)	5,728	2,922
Total Cost (Rs.)	1,96,23,434	99,02,929
Average Rate / Tonne (Rs.)	3,426	3,389
3. Furnace Oil :		
Quantity (K. Ltrs.)	352	166
Total Amount (Rs.)	97,61,631	41,17,115
Average Rate/ K.Ltrs.(Rs.)	27,732	24,802
4. Other / Internal Generation		
	NIL	NIL
5. Consumption per MT of production (Standards if any)		
Products (with details) unit		
Rolled Iron & Steel (in MT)	7,749	6,695
Electricity (in Units)	469,005	450,103
Furnace Oil (Secondary Fuel) (in Ltrs.)	45.42	24,798
Coal (Steam Coal 'B' Grade) (in MT)	0.739	0.437
Excluding Shell & dust	NIL	NIL
Other (Specify)		

For and on behalf of the Board of Directors

Place : Nagpur
Date : 29.08.2011


N .K. Sarda
Chairman & Managing Director


Poonam Sarda
Director

Zal Complex,
2nd Floor, Residency Road,
Sadar,
Nagpur 440001
Ph. : 0712-2520183
Cell : 9373113082

VILAS NICHAT
B.Sc., F.C.S.
Company Secretary

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company: 11- 011830 of 1960

Nominal Capital: Rs. 5,10,00,000/-

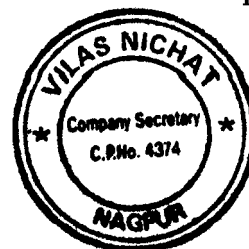
Paid-up Capital: Rs. 5,07,38,000/-

To,
The Members
SHARDA ISPAT LIMITED
Nagpur (M.S.)

I have examined the registers, records, books and papers of SHARDA ISPAT LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2011 (financial year from 01.04.2010 to 31.03.2011). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies along with necessary fees including additional fees in respect of delayed filing.
3. The Company being a public limited Company, comments are not required
4. The Board of Directors duly met 12 (Twelve) times respectively on 30.04.2010, 27.05.2010, 10.06.2010, 13.07.2010, 31.07.2010, 24.08.2010, 13.09.2010, 30.10.2010, 31.01.2011, 01.02.2011, 23.03.2011 and 31.03.2011. in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for two days from 29th September, 2010 to 30th September, 2010 (both days inclusive) during the financial year. However, the previous notice thereof was not published in the newspapers
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 30.09.2010 after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.

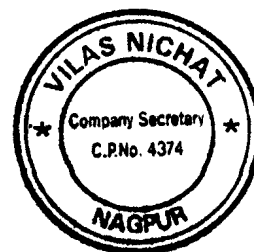
Vilas Nichat



(2)

7. One extra-ordinary general meeting was held after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not obtained the previous approval of the Central Government in respect of contract(s) covered in section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on allotment of securities and lodgment thereof for transfer /transmission in accordance with the provisions of the Act. .
(ii) The Company was not required to deposit any amount in a separate bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants for dividends to any members of the Company.
(iv) The Company was not required to transfer any amounts in Investor Education and Protection Fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and interest accrued thereon which have remained unclaimed or unpaid for the period of seven years.
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional directors, alternate directors, and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.

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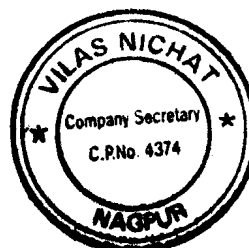


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17. The Company was not required to obtain any approvals of the Central Government except under Clause (9) above, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 8,51,000 equity shares of Rs. 10/- each, for cash, at par, aggregating to Rs. 85,10,000/- and complied with the provisions of the Act. The issue of such shares was made in pursuance of the provisions of Clause 8.6.1 read with Clause 9(a) of the Sanctioned Scheme as approved Hon'ble BIFR vide Order dated 23.02.2010 and sanctioned to the Company.
20. The Company has not bought back any shares during the financial year.
21. As there were no outstanding preference shares or debentures, question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits except unsecured loan(s), falling within the purview of section 58A and 58 AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975 during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks, and others during the financial year ending 31.03.2011 is/are within the borrowing powers limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/ extra-ordinary general meeting.
25. The Company has made loans and advances but has not given any guarantees or provided securities to other bodies corporate and has made necessary entries in the Register kept for that purpose..
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny

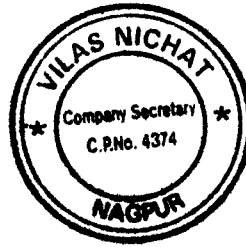
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29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act..
30. The Company has altered its Articles of Association after obtaining approval of the members in the general meeting held on 20.01.2011 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies. .
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities. As such, the Company has not constituted any specific Fund / Trust for the said purpose and hence, the provisions of section 418 of the Act are not applicable.

Date: 29.08.2011
Place: Nagpur



Vilas Nichat
VILAS NICHAT
Company Secretary

Membership No. FCS- 6561 C.P. No. 4374

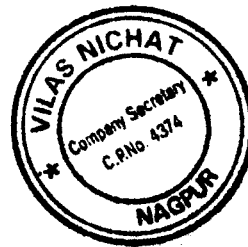
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ANNEXURE 'A' TO SECRETARIAL COMPLIANCE CERTIFICATE

Registers as maintained by the Company

1. Register of Members under section 150 of the Act.
2. Copies of Annual Return under section 163 of the Act.
3. Minutes Book containing minutes of Board Meetings and General Meetings under section 193 of the Act.
4. Books of Accounts under section 209 of the Act.
5. Register of contracts / Companies and firms in which directors etc. are interested under section 301 of the Act.
6. Register of Directors, Managing Directors/Manager/Secretary under section 303 of the Act.
7. Register of Directors' Shareholdings under section 307 of the Act.
8. Register of investments or loans made, guarantee or security provided under section 372A of the Act.
9. Register of charges under section 125 of the Act.
10. Share Transfer Register

Apart from above, the Company has also maintained all the requisite statutory registers, books, returns, etc. to be kept or maintained by the Company in terms of various provisions of the Act/Rules. Nevertheless, there were no entries/transactions to be recorded therein during the financial year.



Vilas Nichat
VILAS NICHAT
Company Secretary

Date: 29.08.2011
Place: Nagpur

Membership No. FCS- 6561 C.P. No. 4374

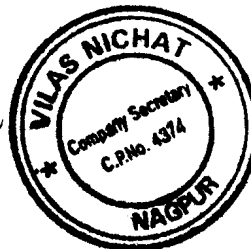
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ANNEXURE 'B' TO SECRETARIAL COMPLIANCE CERTIFICATE

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending on 31st March, 2011 (Till the date of this certificate): **With Registrar of Companies, Maharashtra**

1. Form 23AC with audited Balance Sheet in respect of financial year ended 31st March, 2010 attached thereto, approved and adopted at the Annual General Meeting held on 30.09.2010 due for filing on 29.10.2010 was duly e-filed under section 220 of the Act on 24.05.2011 vide SRN P671510164..
2. Form 23ACA with audited Profit & Loss Account in respect of financial year ended 31st March, 2010 attached thereto, approved and adopted at the Annual General Meeting held on 30.09.2010 due for filing on 29.10.2010 was duly e-filed under section 220 of the Act on 24.05.2011 vide SRN P671510164..
3. Form 66 with Secretarial Compliance Certificate in respect of financial year ended 31.03.2010 attached thereto, approved and adopted at an Annual General Meeting held on 30.09.2009 due for filing on 29.10.2010 was duly e-filed under proviso to section 383A of the Act read with Companies (Compliance Certificate) Rules, 2001 on 24.05.2011 vide SRN P67508705.
4. Form 20B with Annual Return in respect of the Annual General Meeting held on 30.09.2010, attached thereto due for filing on 28.11.2010 was duly e-filed under section 159 of the Act on 31.05.2011 vide SRN P67620245.
5. Form 32 dated 21.01.2010 regarding return of appointment of Director due for e-filing on 19.02.2010, was duly e-filed under section 303 of the Act on 03.01.2011 vide SRN B02126076..
6. Form 32 dated 21.01.2010 regarding return of appointment of Director due for e-filing on 19.02.2010, was duly e-filed under section 303 of the Act on 27.09.2010 vide SRN a94839123..
7. Form 32 dated 21.01.2010 regarding return of appointment of Director due for e-filing on 19.02.2010, was duly e-filed under section 303 of the Act on 25.05.2011 vide SRN B12802112...
8. Form 32 dated 21.01.2010 regarding return of appointment of Director due for e-filing on 19.02.2010, was duly e-filed under section 303 of the Act on 27.09.2010 vide SRN A94839438..
9. Form 32 dated 30.09.2010 regarding return of appointment of Director due for e-filing on 29.10.2010, was duly e-filed under section 303 of the Act on 25.02.2011 vide SRN B0647499...

Dhilesh



(7)

10. Form 2 dated 31.03.2011 regarding return of Allotment of shares, due for e-filing on 30.04.2011, was duly e-filed under section 75 of the Act on 04.06.2011 vide SRN S 05271713..
11. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 17.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 20.05.2010 vide SRN A85523744. .
12. Form 17 dated 13.05.2010 for satisfaction of charge regarding Stress Assets Stabilisation Fund (SASF) Loan of Rs. 195.00 Lacs, due for e-filing on 11.06.2010 was duly e-filed under 138 of the Act on 21.05.2010 vide SRN A8556386.
13. Form 17 dated 13.05.2010 for satisfaction of charge regarding Industrial Development Bank of India Loan of Rs. 293.00 Lacs, due for e-filing on 11.06.2010 was duly e-filed under 138 of the Act on 20.05.2010 vide SRN A85524445..
- 14 Form 17 dated 13.05.2010 for satisfaction of charge regarding Industrial Development Bank of India Loan of Rs. 140.00 Lacs, due for e-filing on 11.06.2010 was duly e-filed under 138 of the Act on 20.05.2010 vide SRN A85523868.
15. Form 17 dated 13.05.2010 for satisfaction of charge regarding Industrial Development Bank of India Loan of Rs. 293.00 Lacs, due for e-filing on 11.06.2010 was duly e-filed under 138 of the Act on 20.05.2010 vide SRN A85524221.
16. Form 17 dated 13.05.2010 for satisfaction of charge regarding Industrial Development Bank of India Loan of Rs. 7000 Lacs, due for e-filing on 11.06.2010 was duly e-filed under 138 of the Act on 20.05.2010 vide SRN A85523579.
17. Form 5 dated 20.01.2011 regarding notice of increase of authorized share capital, due for e-filing on 19.02.2011, was duly e-filed under section 97 of the Act on 03.02.2011 vide SRN B04712568.
18. Form 23 dated 20.01.2011 regarding registration of special resolution, due for e-filing on 19.02.2011, was duly e-filed under section 192 of the Act on 03.02.2011 vide SRN B04710562.
19. Form 8 dated 24.09.2010 regarding registration of charge favouring Nagpur Nagrik Sahakari Bank Limited, to secure their Loan of Rs. 3.00 Crores, due for e-filing on 24.10.2010, was duly e-filed on 14.10.2010. (Challan was not produced before me)
20. Form 8 dated 15.09.2010 regarding registration of charge favouring Nagpur Nagrik Sahakari Bank Limited, to secure their Loan of Rs. 1.50 Crores, due for e-filing on 15.10.2010, was duly e-filed on 14.10.2010. (Challan was not produced before me).

Vilas



(8)

Note : During the financial year, the Company failed to pass one of the resolution by postal ballot in respect of the business covered under section 293(1) (a) of the Act read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001



Vilas Nichat

VILAS NICHAT
Company Secretary

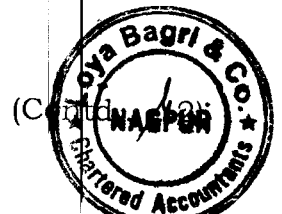
Date: 29.08.2011
Place: Nagpur

Membership No. FCS- 6561 C.P. No. 4374

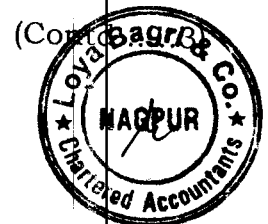
AUDITORS' REPORT

To
The Members of ,
SHARDA ISPAT LTD.,
NAGPUR.

- 1) We have audited the attached Balance Sheet of Sharda Ispat Ltd., Nagpur, as at 31st March, 2011, the Profit and Loss Account for the year ended on that date annexed thereto and also the Cash Flow Statement for the year ended on that date read with notes annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs '4' and '5' of the said order.



- 4) Attention is invited to the transactions covered under section 297 of the Companies Act, 1956, the previous sanction of Central Government under Section 297 of the Companies Act was not made available.
- 5) Subject to our comments in Para 4 above, we report that:-
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) The Cash Flow Statement, the Profit & Loss Account and the Balance Sheet comply the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



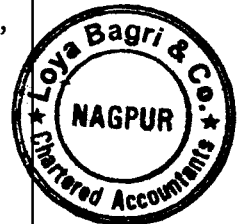
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
 - (c) in the case of the cash flow statement, of cash flows for the year ended on that date.

Nagpur, Dated the,
29th August, 2011.

FOR LOYA BAGRI & CO.,
Firm registration No 105658W
Chartered Accountants,

CIM

(GOPAL DAS BAGRI)
Partner.(M.No.002933)
LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.



ANNEXURE TO AUDITORS' REPORT OF SHARDA ISPAT LTD.

Referred to in Paragraph 3 of our Report of Even date on the
Accounts as at 31st March, 2011.

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for additions of the current year.
- (b) All the Assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification, as reported to us.
- (c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed off by the company during the year
- ii) (a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register under section 301 of the Act. The provisions of (iii) (b) & (d) of paragraph 4 of the order are not applicable to the company.



- (b) The Company has taken unsecured loans from Companies, Firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956. The amount of Rs. 327.50 Lacs from one party has been taken.
- (c) The rate of interest and other terms and conditions of such unsecured loan taken by the company are, in our opinion, prima facie not prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of principal loan taken and interest thereon.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us and as per the records of the company, there is no transaction made in pursuance of contracts or arrangements entered in the register in pursuance of section 301 of the Companies Act, 1956 in excess of Rs.5 lacs in respect of any party during the year.

(Contd. 3)



- vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of sections 58-A, 58-AA or any other relevant provisions of the Companies Act, 1956 and rules made there under are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for the products of the company.
- ix) (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty and any other statutory dues which remained outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.

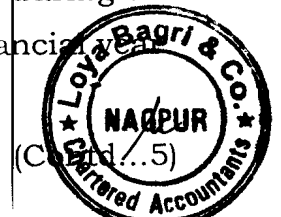


(b) According to the information and explanations given to us and the records of the company examined by us, the particulars of Sales Tax and Excise duty as at 31st March, 2011, that have not been deposited on account of disputes pending, are as under :-

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is pending
1.	Central Excise Act	Excise Duty	12,57,012	High Court Delhi
2.	Central Excise Act	Excise Duty & Penalty	1,40,100	CEGAT, Mumbai (Appeals), Nagpur
3.	Central Excise Act	Penalty	2,24,000	CEGAT, North Zone, Delhi (Appeals), Nagpur
4.	Central Excise Act	Excise Duty & Penalty	23,47,706	CEGAT, Mumbai (Appeals), Nagpur
5.	Central Excise Act	Excise Duty & Penalty	22,64,530	Add. Commissioner of Central excise, custom and service tax, Nagpur
6.	Central Excise Act	Excise Duty & Penalty	19,63,762	Jt. Commissioner of Central excise, custom and service tax, Nagpur
7.	Central Excise Act	Service Tax	1,15,559	Dep. Commissioner Service Tax Cell, Nagpur.
8.	Bombay Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	13,08,650	Joint Commissioner of Sales Tax (Appeals), Nagpur
9.	Central Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	2,37,211	Joint Commissioner of Sales Tax (Appeals), Nagpur
10.	Bombay Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	1,21,62,805	Joint Commissioner of Sales Tax (Appeals), Nagpur
11.	Central Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	30,15,700	Joint Commissioner of Sales Tax (Appeals), Nagpur

(Above Sr. No 8,9,10 and 11 are in total. The allocation shall be made after final decision between demerged company and resultant companies) (Refer Note No. 9 of Schedule 'T')

x) There are accumulated losses of the company at the end of the financial year. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.



- xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in the repayments of dues to bank.
- xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) As per records examined by us, the company has not received any term loan during the year.
- xvii) According to the information and explanation given to us, and the records of the company examined by us and on an overall basis, we report that short term fund have not been used for long term investment during the year.
- xviii) The company has not made any preferential allotment of shares during the year.
- xix) The company has not issued any debentures during the year.
- xx) The company has not raised any money by public issue during the year.
- xxi) According to information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

Nagpur, Dated the,
29th August, 2011.

FOR LOYA BAGRI & CO.,
Firm Registration No 105658W
Chartered Accountants,

C/M

(GOPAL DAS BAGRI)
Partner (M.No.002933)
LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR



AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members,
SHARDA ISPAT LIMITED,
NAGPUR.

1) We have examined the compliance of conditions of Corporate Governance by SHARDA ISPAT LIMITED for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

2) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

3) In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

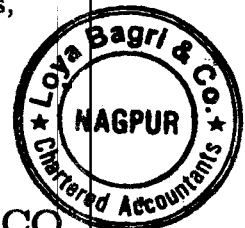
4) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Nagpur, Dated the,
29th August, 2011.

FOR LOYA BAGRI & CO.,
[Firm Registration No. 105658W]
Chartered Accountants,

LYM
(GOPAL DAS BAGRI)
Partner.
(M.No.002933)

LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company conducts its business under the governance of the set of principles and beliefs through its "brain-trust", the Board. The Board being the "Sparking Chamber" of the Company plays its crucial role in the conduct of the business of the Company adhering to certain ethics viz., truth, honesty, promptness, accountability and transparency within the legal frame with aim to achieve consistent growth of the Company maximizing the shareholders' value.

A) Code of Conduct For Members of Board:

- 1) The members of the Board shall exercise their powers in good faith, honestly and in the interest of the Company.
- 2) Powers vested in the Board members under the articles of association of the Company, by the Company in general meeting or by a Board resolution must be exercised for the proper purposes and to the extent permissible.
- 3) The members of the Board should not participate in and vote on any discussion in Board meetings on any resolution or a matter relating to his own affairs or to the affairs of another Company in which he is a Director or a shareholder or relating to a firm in which he is a partner or relating to his proprietary business.
- 4) Where there is conflict between the Board Members' own interest and the interest of the Company, he must put the interest of the Company first.
- 5) The Board Members must act honestly and should exercise reasonable skill and diligence in the discharge of his duties.
- 6) The Board Members shall review and monitor the statutory compliance by the Company from time to time.
- 7) The Board members should delegate the works with adequate empowerment and necessary accountability.
- 8) The members while working for the Company should follow a proper leadership and set of standards for working.
- 9) The members of the Board should also ensure from time to time the due implementation of the aforesaid code.

B) Code of Conduct For Senior Management Personnel :

- 1) They should ensure proper maintenance of books, records, files etc. and suitable System procedures and practice for the purpose.
- 2) The officers shall not involve themselves in fraudulent dealing in securities.
- 3) They should discharge their department duties and responsibilities with due Observation of the relevant statutory provision
- 4) They should avoid the government officials from making undue/improper benefits Through of the company.
- 5) The officers shall not indulge themselves in any anti-competitive conduct.
- 6) The officers should respect each other and create a congenial atmosphere.



- 7) The officers should extend their full co-operation during investigations of alleged Violation of law, if any
- 8) The officers shall not misuse the name of company.
- 9) The officers shall ensure from time to time their working is within frame work of The code of conduct so laid down for them.

II. MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY:

The year 2010-2011 was crucial as the World economy was hit by yet another recession resulting in serious economic slowdown especially in the West. Under such a gloomy scenario, the Indian economy has been in position to demonstrate remarkable resilience. High prices of oil, increasing prices of commodities, double digit inflation, and higher rate of interest have, however posed the bigger challenges before the growth momentum. To enable the Indian economy to survive and emerge as a economic super power it is imperative for the Company to cope with the global competitiveness.

OVERVIEW:

The financial year 2010-11 was an encouraging year for the Company where the Company in spite of adverse market conditions has maintained the shareholder value. The production figure of the Company has shown improvement from 15464.346 MT to 25799.153 MT from the previous year.

INDUSTRY STRUCTURE AND DEVELOPMENTS STEEL INDUSTRY OVERVIEW:

The inflationary trend as regards to raw material prices backed with other increased costs, prevailed during the year has affected the financial performance of the steel industry in the country. Efforts are being taken all over the World especially by USA to restore the world economy and industrial growth.

FUTURE OUTLOOK – BRIGHTER PROSPECTS:

The Indian economy grew at 7.2% in 2009-10 against 6.7% last year which shows a remarkable turnaround. The economy is likely to grow at approx. 8 to 10% over the next decade driven by the infrastructure (power, road, railways, ports etc.) and consumption (automobile, real estate etc.) sectors which will result in robust growth in demand for various iron and steel products.

The States of Orissa, Chhattisgarh and Jharkhand which account for majority of the iron ore and coal reserves in the country will remain the most attractive locations for setting up iron and steel manufacturing capacity.

OPPORTUNITIES AND THREATS:

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Nagpur offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel. Your Company is also well positioned in its conscious adherence to a modular project implementation, thereby enabling ploughing of internal accruals in future projects, thereby reducing costs related to financing. The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players,



resulting in reduced availability of skilled manpower and contractor workforce. Delay in implementation of project may lead to opportunity loss in revenue generation and rise in costs.

RISK MANAGEMENT:

Your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a well defined structure and proactive approach to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

- a) Systems – Your Company is planning to implement ERP, the software for Enterprise Resource Planning, to integrate its operations and to use best business and commercial practices.
- b) Statutory compliances – Procedure is in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors at its meetings.

FINANCE REVIEW AND ANALYSIS:

As can be seen from the above, the Company achieved sales turnover of Rs.3875.29 (Own unit :3,250.05 Lacs and Conversion / Service Rs.625.24 Lacs) Lacs (25229MT) and Conversion Services : Rs. 625.24 Lacs as against Rs. 2470.94 Lacs (7206.654 MT) and Conversion Services Rs. 451.37 Lacs during the last year respectively, registering thereby the growth in turnover of 30.84% over the previous year. After providing Rs. 68.11 Lacs for depreciation and Rs. 108.64 Lacs against interest and further adjusting Rs. 3.04 Lacs towards taxation, the Company earned net profit after tax of Rs. 35.80 Lacs as against Rs. 59.80 Lacs during the previous year.

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Your Company recognises the fact that manpower is one of the vital constituents of a successful organisation. The success of any business lies under the qualified, trained & motivated Human Resources. The company gives more importance to the development of Human Resources than any other Resources. The company updates its HR policy in line with the changing system in the industry as a whole the company takes adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company.

INTERNAL CONTROL AND SYSTEMS:

The internal control systems in your Company commensurate with the size and nature of its operations and periodic audits are conducted in various disciplines to ensure adherence to the same. During the year Internal Auditors of your Company had independently evaluated the adequacy and efficacy of the audit controls. The Board and the management review the findings and recommendations of the auditors and take corrective actions, whenever necessary. The Board considers risk assessment, identification of mitigating actions and internal control procedure to ensure that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically appraised of the key risks.

OUTLOOK:

India has immense potential for creating new steel production capacity. Indian per capita steel consumption is presently very low compared to the world average, which further re-confirms the opportunities for steel demand to continue accelerating in the times ahead. Your Company with a well diversified product portfolio is well poised to take advantage of the growth in the Iron and Steel demand.



CAUTIONARY STATEMENT:

Statements in this "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, input availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

III. CHAIRMAN & MANAGING DIRECTOR'S CERTIFICATION:

In terms of the provisions of Clause 49 of the Listing Agreement, as amended, the Chairman & Managing Director of the Company hereby certifies to the Board that:

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii) These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- b) There are, to the best of their knowledge and belief, no transactions entered into by The Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- d) They have indicate to the auditor's and the Audit Committee
 - i. significant changes in internal control over financial reporting during the year.
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements., and
 - iii. instances of significant fraud of which they have become aware and the involvement therein , if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

III. BOARD OF DIRECTORS :

A. Composition :

The Board of Directors of the Company is comprised of total 8 (Eight) Nos. Directors out of which 4 (Four) Nos. Directors are Non-executive and Independent one. The Chairman of the Board is a Executive Director. The presence of 4 Nos. independent Directors on the Board as stated above is in conformity with the provisions of Corporate Governance.



Sr.	No.	Name of the Directors	Designation
01.		Shri. N.K. Sarda	Chairman & Managing Director
02.		Shri. J.K. Sarda	Managing Director
03.		Shri. Ghanshyam Sarda	Whole Time Director
04.		Shri. H. K. Dass	Non – Executive & Independent Director
05.		Shri. A. K. Mukherjee	Non – Executive & Independent Director
06.		Shri. R.P. Mohanka	Non – Executive & Independent Director
07.		Smt. Poonam Sarda	Non-Executive Director
08.		Shri. Ramesh Mantri	Non-Executive & Independent Director

B. Meetings & Attendance :

12 (Twelve) Meetings of Board of Directors were held during the financial year ended 31st March, 2011. These were held on:-

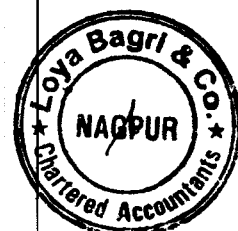
1. 30.04.2010	2. 27.05.2010	3. 10.06.2010
4. 13.07.2010	5. 31.07.2010	6. 24.08.2010
7. 13.09.2010	8. 30.10.2010	9. 31.01.2011
10. 01.02.2011	11. 23.03.2011	12. 31.03.2011

Attendance

Sr.	No.	Name of the Directors	Attendance at the Board Meeting	Attendance at the Last AGM
01.		Shri. N.K. Sarda	12	Yes
02.		Shri. J.K. Sarda	12	Yes
03.		Shri. Ghanshyam Sarda	12	Yes
04.		Shri. H. K. Dass	6	Yes
05.		Shri. A. K. Mukherjee	12	Yes
06.		Shri. R P. Mohanka	8	Yes
07.		Smt. Poonam Sarda	3	Yes
08.		Shri. Ramesh Mantri	8	No

C. Membership or Chairmanship of other BOD' s or Board Committees:

Sr. No.	Name of the Directors	No. of outside Directorship(s) Held	Chairman/ Member of other BOD/Board Committee
01.	Shri. J.K. Sarda	1	NIL
02.	Shri. N.K. Sarda	2	1
03.	Shri. Ghanshyam Sarda	1	NIL
04.	Shri. H. K. Dass	1	NIL
05.	Shri. A. K. Mukherjee	NIL	NIL
06.	Shri. R P. Mohanka	4	NIL
07.	Smt. Poonam Sarda	2	NIL
08.	Shri Ramesh Mantri	2	NIL



D. Remuneration of Directors :

The details of remuneration of the directors of the company is given below :

SR.NO	Name of Directors	Salary Including Perquisites	Services	Notice Contract (Refer Period Note1)
01.	Shri. J.K. Sarda	NIL	5Years (Till 31.03.2012)	12 Months
02.	Shri. N.K. Sarda	RS.9,00,000/-	5Years (Till 31.03.2012)	12 Months
03.	Shri. Ghanshyam Sarda	NIL	5Years (Till 31.03.2012)	12 Months
04.	Shri. H. K. Dass	NIL	NIL	NIL
05.	Shri. A. K. Mukherjee	NIL	NIL	NIL
06.	Shri. R P. Mohanka	NIL	NIL	NIL
07.	Smt. Poonam Sarda	NIL	NIL	NIL
08.	Shri Ramesh Mantri	NIL	NIL	NIL

Note 1:

In addition to salary including Perquisites payable to Shri. N.K. Sarda the agreement provides for housing, medical expenses, leave travel concession, club fees, personal accident insurance, contribution to provident fund and superannuation fund, car perquisite etc.

Note 2:

Looking to the financial position of the company, no sitting fees was paid to any director for attending Board meeting /Committee meeting.

New Appointments and re-appointments:

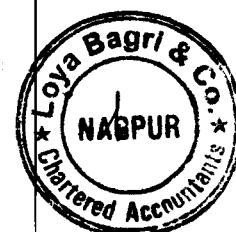
During the year under review the following Directors of the Company namely, Shri. R P Mohanka, Smt. Poonam Sarda and Shri. Ramesh Mantri, who were appointed as additional director during the previous year are regularized as Director at the annual general meeting of the company held on 30.09.2010.

Shri.Rajendra Prasad Mohanka and Smt. Poonam Sarda are liable to retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

IV. AUDIT COMMITTEE :

Your Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 I (C) and (D) of the Listing Agreement. The Committee acts as a link between the management, the statutory auditors and internal auditors and the Board of Directors and oversees the financial reporting process.

The composition of the committee as reconstituted during the previous year on 01.11.2009 is as under :



A. Composition :

(1) Shri R P Mohanka (2) Shri H. K. Dass (3) Shri. A.K Mukherjee
All the members of the Audit Committee are Non- Executive & independent directors. Shri R P Mohanka being a qualified Chartered Accountant having expert knowledge in finance and accounts is the Chairman of the Committee.

B. Meeting and Attendance :

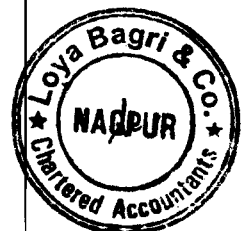
During the year under review, (5) Five meeting(s) were held on 30.04.2010, 30.07.2010, 24.08.2010, 30.10.2010, , 31.01.2011.

Sr. No.	Name of the members (Directors)	Attendance
01.	Shri. R P Mohanka	5
02.	Shri. A. K. Mukherjee	5
03.	Shri. H K Dass	5

C. Powers & Functions:

The terms of reference stipulated by the Board to Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of the external auditors, fixation of audit fee and also approval for payment for any other services .
- c. Reviewing with management the quarterly, half yearly and annual financial statement before submission to the Board . Focusing primary on (i) any changes in accounting policies and practices, (ii) major accounting entries based on the exercise of judgment by management , (iii) qualification in draft audit report , (iv) significant adjustments arising out of audit , (v) the going concern concept , (vi) compliance with accounting standard (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions having conflict with the interest of the company at large.
- d. Reviewing with management external and internal auditors, the adequacy and compliance of internal control system.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant finding and follow up there on.
- g. Discussion with external auditors regarding nature and scope of audit.
- h. Reviewing of Company's financial and risk management policies.



V. REMUNERATION COMMITTEE

In view of complying the provisions of the Companies Act, 1956 as regards to payment of remuneration to the Executive Directors of the Company, the Board of Directors of the Company had constituted the Remuneration Committee on 31.07.2006. The committee was reconstituted on 01.11.2009 with composition as under :

Composition:

Shri. R P Mohanka	Independent Director	-	Chairman
Shri. H.K, Dass	Independent Director	-	Member
Shri. A,K. Mukherjee	Independent Director	-	Member

Terms of reference :

- i) To frame policy as regards to specific remuneration packages for executive Directors.
- ii) To evaluate services of the executive Directors and decide on remuneration payable to them.
- iii) To review the remuneration packages from time to time.
- ii) To ensure that the remuneration being paid to executive Directors are in conformity with the legal provisions.
- iii) No meeting of the committee was held during the year.

VI. SHARE TRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Board of the Company has constituted a Shareholders' / Investors' Grievance Committee in Compliance with Clause 49 of the Listing Agreement. The Committee inter alia, approves the various aspects of Transfer / Transmission of Shares, consolidation / split of shares, issue of duplicate share certificates and other allied matters including redressal of Inventors' complaints. The committee monitors the entire share transfer working, assigned to the R & T Agent "Adroit Corporate Services Private Limited" and recommends measures for overall improvement in the quality of investor services.

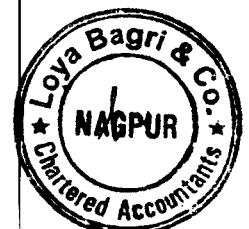
A. Composition of the committee, as reconstituted is under :

Shri. H.K.Das, Shri. J.K. Sarda and Shri. N.K.Sarda
Shri.H.K.Dass is the Chairman of the Share Transfer and Shareholders / Investors Grievances Committee and Shri. N.K. Sarda is acting as Compliance Officer of the Company.

B. Meetings and Attendance :

During the year under review, 8 (Eight) meetings were held on 15.05.2010, 15.07.2010, 30.10.2010, 15.11.2010, 31.12.2010, 10.01.2011, 15.03.2011 and 31.03.2011.

Sr. No.	Name of the members (Directors)	Attendance #
01.	Shri. H K Dass	8
02.	Shri. N. K. Sarda	8
03.	Shri. J K Sarda	8



C. No. of complaints received from the Shareholders / Investors : Nil

D. No. of Complaints not solved : N.A

E. No. of pending Share transfer : N.A

VII. GENERAL BODY MEETINGS :

Details of Annual General Meetings : Location, Date and Time of the Last Three Annual General Meetings :

For the year ended	Date	Time	Venue
31.03.2010	30.09.2010	10.00 A.M.	Registered Office of the Company at Kamptee Road, Nagpur 440026
31.03.2009	30.09.2009	10.00 A.M.	
31.03.2008	30.09.2008	10.00 A.M.	

B. Resolution Passed By Postal Ballot :

No Special Resolution was put through Postal Ballot last year.

VIII. OTHER DISCLOSURES :

During the period under review :

- i) there were no materially significant transactions with the related parties viz, promoters, Directors or the management, their Subsidiaries or relatives conflicting with the Company's interest.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to Capital markets.
- iii) Hon'ble BIFR order dated 23.02.2010 sanctioning to the Company the Rehabilitation Scheme has almost been implemented successfully by the Company.

IX. MEANS OF COMMUNICATION :

The financial results (statements) in the prescribed proforma on Quarterly basis are being sent to the Stock Exchanges as per norms prescribed under the Listing Agreement.

1. Half – Yearly report sent to each household of shareholders : No
2. Newspapers in which Quarterly results are normally published : Not Published
3. Web site where quarterly results are displayed : www.shardaispat.com
4. Analysis is a part of Annual Report : No



X. GENERAL SHAREHOLDERS INFORMATION :

- | | |
|---|---|
| 1. Annual General Meeting | Friday , the 30th September , 2011
at 10 A.M at the Registered Office of the
Company at Kamptee Road , Nagpur |
| 2. Financial Calendar | Refer Note 1 |
| 3. Book Closure Date | 29th September, 2011 to 30th September
2011 |
| 4. Dividend Payment Date | Not Applicable |
| 5. Listing of Shares & other Securities
On Stock Exchanges | Refer Note 2 |
| 6. Stock Code (s) | Refer Note 2 |
| 7. Market Price Data | Refer Note 3 |
| 8. Registrar and Transfer Agent | Adroit Corporate Services Pvt. Ltd,
19/20, Jaferbhoy Industrial Estat,
Makwana Road Marol Naka,
Marol,Andheri, (E), Mumbai 400059:
Refer Note 4. |
| 9. Share Transfer and inventors'
Grievances Redressal System | Refer Note 4. |
| 10. Distribution of Shareholding | Refer Note 5 |
| 11. Dematerialisation of Shares and Liquidity | The Company's securities i.e. equity
shares have been admitted into
Central depository services india ltd.,
26 July, 2011. Application for admission
into National Securities Depository Ltd.
is in process.
Liquidity through Trading at Four Stock .
Exchanges |
| 12. Plant Locations | Kamptee Road , Nagpur –440026
(Maharashtra) . |
| 13. Address of Correspondence | Registered Office :
Kamptee Road, Nagpur – 440026
(Maharashtra) |

Note 1: Financial Calendar for the Financial Year 2011—2012

Financial Year Ending : 31st March , 2012

Un – audited Financial Results (Provisional) for the period of 3 months ended 30th
June 2011 Last week of July or second week of August , 2011.

Annual General Meeting : Saturday , Last week of September , 2011 at 10 A.M.

Un – audited Financial Results for the period of 3 months ended 30th September, 2011:
Last week of October or second week of November , 2011

Un – audited Financial Results (Provisional) for the period of 3 months ended 31st
December, 2011: Last week of January or Second week of February, 2012



Un – audited Financial Result (Provisional) for the period of 3 months eLast week of April. or
Second week of May , 2012.

Note 2: Listing Information :

- The Company's Equity Shares are Listed on :
- (a) The Stock Exchange , Mumbai (Stock Code No. 513548)
 - (b) The Stock Exchange , Kolkata (Stock Code No.029292)
 - (c) The Stock Exchange, Pune (Stock Code No. 13548)
 - (d) The Stock Exchange, Ahmedabad (Stock Code No. 52710)

Note 3: Market Price Data of Company's Equity Shares

MONTH	PRICE OF TRANSFER	
	HIGH	LOW
APRIL - 2010	Rs.10/-	Rs.10/-
MAY - 2010	Rs.10/-	Rs.10/-
JUNE - 2010	-	-
JULY - 2010	Rs.6.67	Rs.6.67
AUG - 2010	-	-
SEPT - 2009	-	-
OCT - 2010	Rs.1/-	Rs.1/-
NOV - 2010	Rs.4/-	Rs.1/-
DEC - 2010	Rs.8/-	Rs.8/-
JAN - 2011	-	-
FEB - 2011	-	-
MAR - 2011	Rs.10/-	Rs.0.003

Note 4: Share Transfer and Investor's Grievances Redressal System :

The Shareholders / Investor Grievances Committee approves and monitors the transfer and transmission of shares and allied matters. As regards to execution of share transfer work the Company avails services of M/s. Adroit Corporate Services Private Limited, which have got adequate Infrastructure to process the share transfers. The share transfers are received and processed promptly subject to transfer documents valid and complete in all respects. The said Company is having adequate facility to respond and attend investors' grievances at the earliest.



Note 5: Distribution of Shareholdings :

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters' Holding : - Indian Promoters - Foreign Promoters	11,50,900 -	22.67 -
2.	Persons acting in concert	28,15,840	55.46
3	Non-Promoters' Holding -Institutional Value -Mutul Funds & UTI -Banks & Financial Institutions -Insurance Companies	Nil Nil Nil Nil Nil	NIL Nil Nil Nil Nil
4	Other : -Private Corporate -Trust -Indian Public -NRI/OCBS	 3,23,460 15,000 7,71,600 Nil	 6.37 0.30 15.20 Nil
GRAND TOTAL		50,76,800	100

Note : Shareholding pattern as on 31.03.2011,

For and on behalf of the Board of Directors

Place : Nagpur
Date : 29.08.2011


(N.K. SARDA)
Chairman & Managing Director


(POONAM SARDA)
Director

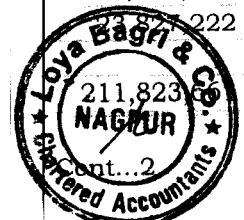


SHARDA ISPAT LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2011

<u>SOURCES OF FUNDS</u>	SCHEDULE	MARCH.2011 (Rs.)	MARCH.2010 (Rs.)
<u>SHARE HOLDERS' FUNDS</u>			
Share Capital	'A'	50,768,000	42,258,000
Reserves & Surplus	'B'	27,379,000	27,379,000
		78,147,000	69,637,000
<u>LOAN FUNDS</u>			
Secured Loans	'C'	26,044,111	-
Unsecured Loans	'D'	108,796,926	142,186,662
		134,841,037	142,186,662
<u>DEFERRED TAX LIABILITIES (NET)</u>		14,192,251	-
Total		227,180,288	211,823,662
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	'E'	170,117,675	167,872,917
Less : Depreciation		105,710,186	98,898,862
Net Block		64,407,489	68,974,055
Add : Capital Work in Progress		-	950,956
		64,407,489	69,925,011
INVESTMENT	'F'	1,125,100	-
		1,125,100	-
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
Current Assets	'G'	160,526,985	134,163,053
Loans & Advances	'H'	80,881,272	79,860,246
		241,408,257	214,023,298
Less : Current Liabilities & Provisions	'I'	115,807,975	95,951,869
		125,600,282	118,071,429
<u>PROFIT & LOSS ACCOUNT</u>	'J'	36,047,417	23,827,222
		36,047,417	23,827,222
Total		227,180,288	211,823,662



Accounting policies, Contingent liabilities and Notes to the accounts.

T

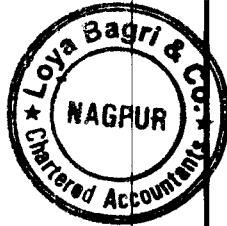
Schedule 'A' to 'J' and Schedule 'T' referred to above form an integral Part of the Balance sheet

As per our report of even date attached.

For LOYA BAGRI & CO.
Firm Registration No 105658W
Chartered Accountants

CMM

(GOPAL DAS BAGRI)
Partner (M.No.002933)



Nagpur, Dated the,
29th August, 2011

LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

SHARDA ISPAT LIMITED

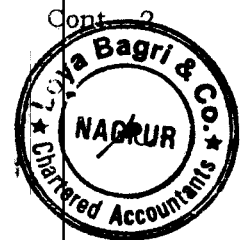
T. S. Sardar
DIRECTOR

SHARDA ISPAT LIMITED

Poonam Sardar
DIRECTOR

SHARDA ISPAT LIMITED, NAGPUR
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH.2011

	SCHEDULE	MARCH.2011 (Rs.)	MARCH.2010 (Rs.)
<u>INCOME</u>			
Sales & Service Charges	'K'	387,529,943	292,230,571
Less : Excise Duty		30,047,658	20,719,730
		357,482,285	271,510,841
Other Income	'L'	2,286,552	3,368,606
Closing Stock	'M'	73,531,118	53,703,082
Total		433,299,955	328,582,529
<u>EXPENDITURE</u>			
Opening Stock	'N'	53,703,082	69,241,518
Raw Material Consumed	'O'	272,448,960	190,745,523
Manufacturing Expenses	'P'	64,759,234	36,442,787
Salaries, Wages & Benefits to Employees'	'Q'	6,430,713	3,773,232
Operating Expenses	'R'	14,385,109	9,854,322
Interest Expenses	'S'	10,863,767	4,634,874
Depreciation		6,811,323	6,739,706
Total		429,402,188	321,431,961



SCHEDULE	MARCH.2011 (Rs.)	MARCH.2010 (Rs.)
Profit before Prior Year Adjustment	3,897,767	7,150,568
Less : Prior year adjustments	12,000	70,645
Profit before taxation	3,885,767	7,079,923
Less : <u>Taxation Provision</u>		
<u>Income Tax</u>		
Current Year	1,900,000	1,100,000
Earlier Year	13,091	-
<u>Fringe Benefit Tax</u>		
Earlier Year	620	-
Deferred Tax Liability (net)	(1,607,726)	-
Profit After Taxation	3,579,783	5,979,923
Add: Balance of Loss brought forward	(23,827,222)	(29,807,145)
(Loss) Carried to Balance Sheet	(20,247,439)	(23,827,222)
Earning per Share	0.85	1.42

Accounting Policies, Contingent liabilities
& Notes to the Accounts.

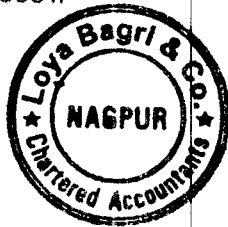
Schedules 'K' to 'T' referred to above form an
integral part of the Profit & Loss Account.

As per our report of even date attached.

For LOYA BAGRI & CO.
Firm Registration No 105658W
Chartered Accountants

CMA

(GOPAL DAS BAGRI)
Partner (M.No.002933)



Nagpur, Dated the,
29th August, 2011
LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

SHARDA ISPAT LIMITED
[Signature]
DIRECTOR

SHARDA ISPAT LIMITED
Poonam Sarda
DIRECTOR

SHARDA ISPAT LIMITED
SCHEDULES FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

<u>SCHEDULE 'A'</u>	MARCH.2011 (Rs.)	MARCH.2010 (Rs.)
<u>SHARE CAPITAL:</u>		
<u>Authorised:</u>		
51,00,000 Equity Shares of Rs. 10/- each (Previous Year 50,00,000 Equity Shares of Rs.10/- Each)	51,000,000	50,000,000
<u>Issued and Subscribed</u>		
5076800 Equity Shares of Rs. 10/- each (Previous Year 42,50,000 Equity Shares)	50,768,000	42,500,000
<u>Paid up:</u>		
50,76,800 Equity Shares of Rs. 10/- each Fully paid up (Previous Year 42,50,000 Equity Shares)	50,768,000	42,500,000
Less:- Unpaid allotment Money other than Directors	-	121,000
Less:- Partly paid up shares Forfeited Transfer to P/L Account	-	121,000
	50,768,000	42,258,000
<u>NOTES :</u>		
i) Out of above 7,50,000 equity shares were issued as bonus shares by way of capitalisation of general reserve	7,500,000	7,500,000
ii) Out of above 851000 shares are issued under Rehabilitation scheme as per BIFR order.	8,510,000	-

SCHEDULE 'B'

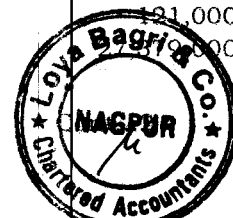
RESERVES & SURPLUS :

Capital Reserve

As per last Balance Sheet - 63,861,882
Less : Transfer to P/L Account - 63,861,882

Securities Premium Account

As per last Balance Sheet 27,379,000
Less : Being Shares forfeited in 2010. - 27,379,000



MARCH.2011
(Rs.)MARCH.2010
(Rs.)SCHEDULE 'C'SECURED LOANS :

From Bank

Working Capital Loan

26,044,111

(Secured against hypothecation of Stocks and Book Debts & Notarised Equitable Mortgage of House property of one Director and guaranteed by Chairman cum Managing Director)

26,044,111

SCHEDULE 'D'UNSECURED LOANS AND ADVANCES :A) From SICOM:i) Special Capital Incentive

2,500,000

2,500,000

ii) Sales Tax DeferralSales Tax deferral under package scheme of Incentive 1988, of Govt. of Maharashtra
(Refer. Note no 12 of Schedule 'T')

10,963,158

9,896,999

(A)

13,463,158

12,396,999

B) Interest Free Loan

From Corporate Sector

1,334,300

16,468,488

From Others

9,100,603

9,100,603

From Managing Director

15,621,804

(B)

10,434,903

41,190,895

C) Interest bearing Loan

From Corporate Sector

72,851,894

88,598,767

From Managing Director

12,046,971

88,598,767

(C)

84,898,865

88,598,767

Total (A+B+C)

108,796,926

142,186,662

Note :

Special Capital Incentive received in 2007 amounting to Rs. 25,00,000/- as grant under package scheme of Incentives, 1988.



SHARDA ISPAT LIMITED
Schedule of fixed assets as at 31st March 2011

SCHEDULE 'E'

Assets	Gross Block on Opening Date Rs.	Additions during the Year Rs.	Sales or Adjustments Rs.	Gross Block on Closing Date Rs.	DEPRECIATION			Total Upto Closing Date Rs.	Net Block As On Closing Date Rs.	Previous Year Rs.
					Upto Last Year Rs.	Adjustment Rs.	For the Year Rs.			
LAND (FREE HOLD)	9,204,951	-	-	9,204,951	-	-	-	-	9,204,951	9,204,951
BUILDINGS	20,070,231	-	-	20,070,231	9,307,229	670,340	10,177,373	9,392,830	10,303,002	
PLANT & MACHINERY	138,396,414	1,785,153	-	140,181,567	89,363,467	6,112,457	95,475,924	44,705,643	49,032,947	
OFFICE EQUIPMENTS	201,322	85,744	-	287,066	28,167	13,022	41,189	245,877	173,155	
COMPUTERS	-	373,860	-	373,860	-	15,498	15,498	358,362	-	
TOTAL	167,872,918	2,244,757	-	170,117,675	98,898,863	6,811,323	105,710,186	64,407,489	68,974,035	
PREVIOUS YEAR	157,806,003	10,066,915	-	167,872,918	92,159,157	6,739,706	98,898,863	68,974,055	65,646,847	



MARCH.2011
(Rs.)MARCH.2010
(Rs.)SCHEDULE 'F'INVESTMENT (AT COST) (Trade)

Long Term (Fully Paid)

IN EQUITY SHARES OF RS.50/- EACH :

Unquoted :

22502 Shares of Nagpur Nagrik Sah. Bank Ltd.

1,125,100

1,125,100

SCHEDULE 'G'CURRENT ASSETS :Stocks :

(As taken, valued & certified by Management)

Manufactured Goods

73,531,118

53,703,082

Raw Material

27,133,529

42,425,634

Stores & Fuel

5,417,883

5,232,548

106,082,530

101,361,264

Sundry Debtors :

(Unsecured but considered good)

Exceeding Six Months

5,352,299

15,437,025

Others

40,749,398

15,824,197

46,101,697

31,261,222

Cash & Bank Balances :

Cash-in-hand

93,122

916

Fixed Deposit with Scheduled Bank

2,250,000

Balances with Scheduled Banks on Current Ac

5,999,635

1,539,651

8,342,757

1,540,567

Total

160,526,985

134,163,053

Note : Out of above, suits have been filed
against debtors (Exceeding six months)

2,477,753

2,477,753



MARCH.2011
(Rs.)

MARCH.2010
(Rs.)

SCHEDULE 'H'

LOANS & ADVANCES :

(Unsecured but considered good)
(Advances Recoverable in Cash or in Kind or for
value to be received or Pending adjustments)

Other Advances
Deposits

75,324,382

69,262,596

5,556,890

10,597,650

80,881,272

79,860,246

SCHEDULE 'I'

CURRENT LIABILITIES & PROVISIONS :

Current Liabilities :

Sundry Creditors
Other Liabilities

39,261,028

15,848,925

73,793,654

78,512,087

113,054,682

94,361,012

Provisions :

For Gratuity
For Leave Encashment
For Income Tax
For Fringe Benefit Tax

500,960

414,596

352,333

74,261

1,900,000

1,100,000

2,000

2,753,293

1,590,857

115,807,975

95,951,869

Note:-

Sundry Creditors includes amount due to Micro,
Small & Medium Enterprises (Refer Note '11' of
Schedule T)

NIL

NIL

SCHEDULE 'J'

PROFIT & LOSS ACCOUNT

Balance of Loss

As per Profit & Loss Account
Add : Deferrred Taxation (net) till 31.03.2010

20,247,439

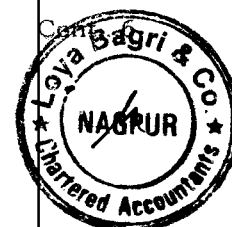
23,827,222

15,799,977

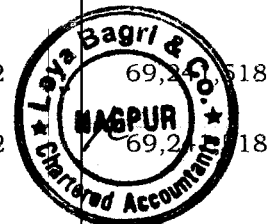
-

36,047,416

23,827,222



	MARCH.2011 (Rs.)	MARCH.2010 (Rs.)
<u>SCHEDULE 'K'</u>		
<u>SALES & SERVICE CHARGES :</u>		
(i) Sales		
Iron & Steel		
Manufactured Goods	292,490,413	228,738,711
Raw material (Unusable)	32,168,314	18,354,993
Miscellaneous Stores & Others	346,924	
	325,005,651	247,093,704
(ii) Service charges		
Conversion Charges (Gross)	62,524,292	45,136,867
(TDS Rs 13,52,491/- ,P.Y. Rs.9,13,83/-)	62,524,292	45,136,867
(i+ii)	387,529,943	292,230,571
<u>SCHEDULE 'L'</u>		
<u>OTHER INCOME :</u>		
Interest Received (Gross)	2,280,852	201,786
(TDS Rs. 2,27,469/- ,P.Y. Rs.38,711/-)		
Excess Provision Written Back	1,500	22,125
Account Written Off	-	53,807
Income on Settlement of Accounts	-	2,976,750
FG Transportation Received	-	114,138
Rent	4,200	-
	2,286,552	3,368,606
<u>SCHEDULE 'M'</u>		
<u>CLOSING STOCK :</u>		
Manufactured Goods	73,531,118	53,703,082
	73,531,118	53,703,082
<u>SCHEDULE 'N'</u>		
<u>OPENING STOCK :</u>		
Manufactured Goods	53,703,082	69,245,518
	53,703,082	69,245,518



MARCH.2011
(Rs.)MARCH.2010
(Rs.)SCHEDULE 'O'RAW MATERIAL CONSUMED :

(Including for Re-sales)

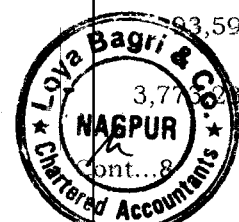
Opening Stock		42,425,634	11,813,082
Add : Purchases & Expenses	252,018,397		221,358,077
Transfer from Finished goods	1,871,389		
Transfer from Roughly shaped pieces	3,267,069	257,156,855	
		299,582,489	233,171,159
Less : Closing Stock		27,133,529	42,425,634
Consumed		272,448,960	190,745,525

SCHEDULE 'P'MANUFACTURING EXPENSES :

Goods Expenses		3,494,483	2,905,420
Power and Fuel		48,373,105	29,673,527
Outside Conversion Charges		1,353,837	-
Stores Consumption		2,789,567	278,846
<u>Repairs & Maintenance</u>			
Plant & Machinery	4,831,200		1,940,067
Building	777,944	5,609,145	421,528
			2,361,595
Other Expenses		1,216,748	1,067,672
Excise duty on finished goods stock (Net)		1,922,349	155,727
		64,759,234	36,442,787

SCHEDULE 'Q'SALARIES, WAGES & BENEFITS TO EMPLOYEES' :

Salary, Wages, Bonus and Allowances		5,902,523	3,538,704
Contribution to P.F. and other Funds		314,389	140,937
Workmen and Staff Welfare Expenses		213,801	93,591
		6,430,713	3,773,232



MARCH.2011
(Rs.)

MARCH.2010
(Rs.)

SCHEDULE 'R'

OPERATING EXPENSES :

Sales Tax (Including Earlier Years)	246,068	83,369
Excise duty other than collected	77,574	35,985
Rates and Taxes	104,478	-
Rent	3,663,600	-
Service Tax	103,911	100,518
Bank Commission & Other Charges	896,349	-
Commission on Sales	102,195	299,704
Brokerage & Commission	34,296	23,977
Outward Transportation & Others	1,698,159	3,317,805
Contractual Payments	1,771,270	-
Miscellaneous & Administrative expenses	2,580,556	465,286
Administrative Charges (allocated)	-	4,200,000
Accounts written Off (Net)	1,880,494	-
Provision for Sales Tax Deferral	1,066,159	1,272,678

Payments to Auditors :

Audit Fees	65,000	25,000
Tax & Vat Audit Fees	55,000	25,000
Other Taxation Services	40,000	5,000
	160,000	55,000
	14,385,109	9,854,322

SCHEDULE 'S'

INTEREST EXPENSES :

On other than Term Loans	10,863,767	4,634,874
	10,863,767	4,634,874



SCHEDULE 'T'

Accounting Policies, Contingent Liabilities and Notes forming part of the accounts.

I. SIGNIFICANT ACCOUNTING POLICIES :

1. General :

- a) These accounts are prepared on historical cost basis and on the accounting principles of the going concern.
- b) Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.

2. The method of Accounting :

The Company maintains its accounts on accrual basis, unless otherwise stated.

3. Fixed Assets :

Fixed assets are stated at cost less depreciation. Interest on borrowings used during the period of construction is added to the cost of fixed assets. Cost includes purchase price, freight cost, installation cost and finance cost.

4. Depreciation :

Depreciation has been provided on straight line basis as under :-

- a) At the rates as prescribed in Schedule XIV of the Companies Act, 1956.
- b) For addition/deletion/sales, depreciation has been charged at the applicable rates on prorata basis.

5. Inventory Valuation :

Raw material, stores and spares are valued at cost. Manufactured goods are valued at lower of cost and net realisable value.

6. Sales Tax / Service Tax :

Liability of Sales Tax / Service Tax has been taken as per returns including Fresh Revised/ Revised Return submitted. The demands, if any, on completion of assessment/Vat Audit, are accounted for on accrual basis.

7. Sales :

Sales are inclusive of Excise Duty and net of Sales Tax and discounts.



Retirement Benefits etc. :

- a) The Company makes regular contribution to provident fund and charge it to the profit & loss account.
- b) The liabilities of Gratuity and unavailed leave are estimated at the year end and have been charged to the profit & loss account.

II. CONTINGENT LIABILITIES :

9. Contingent liabilities not provided for are in respect of :

	<u>March 2011</u>	<u>March 2010</u>
i) Claims not acknowledged as debts by the Company on account of:		
a) Labour cases	8,96,533	8,96,533
ii) Sales tax matters under appeal for which the Company denies liability. Total liabilities are of Rs.1,71,19,336/- (Previous year Rs. 1,71,19,336/-)for the Company in total. The allocation shall be made after final computation in the demerged company and resultant companies.		
iii) Excise Duty matters under appeal for which the Company denies liability.	8452768	41,08,918

III. NOTES TO THE ACCOUNTS :

10. The figure of the previous year have been regrouped wherever necessary.
11. The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 & hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said act have not been given.
12. The company is entitled to defer its liability to pay sales Tax (Including a portion of Purchase Tax) for a period of 10 Years and is liable to pay the same in five annual installments thereafter in respect of its one unit at Kamptee Road. The liability under the Package Scheme of Incentive, 1988 as on 31st March 2011 is Rs. 12,447,153/- (Previous Year is Rs.12,447,153/-) which is provided for on the basis of its net present value of Rs. 10,963,158/-(Previous year Rs. 98,96,999/-)



13. Segment reporting :

The financial results relate to mainly " Iron & Steel Products" segment, in accordance with Accounting Standard - 17 "Segment Reporting" .

14. Deferred Tax :

As required by the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, which is mandatory in nature the company has recognised deferred taxes which results from timing difference between the book profits and the tax profits in the year 2011 first time.

Deferred Tax Assets for current year aggregating of Rs. 16,07,726/- (previous year Rs Nil/-) has been recognised in the Profit and Loss Account.

The details of components of Deferred Tax are as under :-

	<u>March 2011</u>	<u>March 2010</u>
a) <u>Deferred Tax Liabilities</u>		
Related to Fixed Assets	1,43,21,615	1,58,97,520
Related to 43B items of IT Act.	<u>49,445</u>	<u>49,445</u>
(a)	<u>1,43,71,059</u>	<u>1,59,46,965</u>
b) <u>Deferred Tax Assets</u>		
Related to Gratuity	1,54,797	1,28,110
Related to 43B items of IT Act.	<u>24,012</u>	<u>18,878</u>
(b)	<u>1,78,808</u>	<u>1,46,988</u>
Deferred Tax Liabilities (Net)	(a-b) <u>1,41,92,251</u>	<u>1,57,99,977</u>

The Opening recognition of deferred tax liabilities (net) as on 01.04.2010 of Rs. 1,57,99,977/- has been adjusted in balance of P / L Account as shown in Balance Sheet.

15. Letters of confirmation of balances have not been received from Sundry Creditors, Sundry debtors and persons from whom advances & deposits have been received or to whom advances & deposits have been received or to whom advances and deposits have been given.

16. The following expenses are related to earlier years for the following heads & shown as Prior Year Adjustments in the Profit & Loss Account :-

	<u>March 2011</u>	<u>March 2010</u>
i) Amount paid to Financial Institutions(Expenses)	-	70,645
ii) Rent	12,000	-

17. All Consumption of Stores & all Raw Material consumed (Including for Resale) indigenous only.



18. **Managerial remuneration :**

Remuneration to Chairman cum Managing Director is under :

	<u>March 2011</u>	<u>March 2010</u>
Salaries & Allowances	9,00,000	9,00,000
Contribution to Provident Fund	9,360	7,800
	-----	-----
Rs.	9,09,360	9,07,800
	-----	-----

19. **Earnings per share:**

Profit after Tax	35,79,783	59,79,923
No. of equity shares (weighted)	4228132	42,25,800
Earning per share (Rs.)	0.85	1.42
Nominal value of per equity share (Rs.)	10	10

20. **Related Party disclosures :**

As required by Accounting Standard - 18 " Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the details are as follows:

(a) Relationships :

(i) Associates

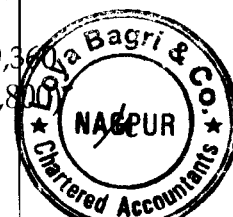
M/s Sharda Dharamkanta.

(ii) Key Management Personnel

Shri N. K. Sarda

Chairman cum Managing Director

(b) Nature of transaction	Associates	Key Management Personnel	Total
Purchase of services	3,35,038 (2,11,661)	- -	3,35,038 (2,11,661)
Remuneration	-	9,09,360 (9,07,800)	9,09,360 (9,07,800)



Loans repaid	-	3,74,21,804 (2,15,90,000)	3,74,21,804 (2,15,90,000)
Loans received	-	3,27,50,000 (3,10,80,000)	3,27,50,000 (3,10,80,000)
<u>Balance outstanding at year end:</u>			
Outstanding payable		1,20,46,971 (1,56,21,804)	1,20,46,971 (1,56,21,804)

Notes:

- 1) The Figures in the brackets are related with the previous year.
- 2) The above information has been determined to the extent such parties have been identified on the basis of information provided by the company which has been relied upon by the auditors.

21. Licensed / Installed Capacities (In M.T.) :

<u>Iron & steel (Rolled Products)</u>	<u>Licensed</u>	<u>Installed</u>
Rolled Products (own unit)	73,000	73,000

Note :- As certified by the Management and accepted by the Auditors being a technical matter.



March 2011

March 2010

22. Quantitative Details are as under :

(i) **Production (In M.T.) :**

Rolled products & By products:

In own units

26395

19,481

By others

371

-

26,766

19,481

Own account

7972

6,695

On Conversion account

18,794

12,786

26,766

19,481

(ii) **Rolled products & By-Products (In M.T.) :**

Opening stock

1,812

2,142

Closing stock

2179

1,812

Production

7,972

6,695

Sales

7,605

7,025

(iii) **By-products which have been included in above:**

(In M.T.)

Opening stock

515

242

Closing stock

751

515

Production

677

646

Sales

441

372

(iv) **Raw material consumed (In MT) :**

In production

7950

6,828

In sales

1141

683

Signature to Schedules 'A' to 'T'

As per our report of even date.

For Loya Bagri & Co.,

Firm Registration No.105658W

Chartered Accountants.

CM

(Gopal Das Bagri)

Partner (M.No. 002933)

Nagpur, dated the
29 August, 2011



LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

SHARDA ISPAT LIMITED

Poonam Sarda
DIRECTOR

Poonam Sarda

Statement Pursuant to Part IV of Schedule VI of the Companies Act, 1956 :

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.

I. REGISTRATION DETAILS

REGISTRATION NO. :	11-11830	STATE CODE :	11
BALANCE SHEET DATE :	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS) :

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	8510

III. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

TOTAL LIABILITIES	2,27,180	TOTAL ASSETS	2,27,180
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SOURCES OF FUNDS:

PAID UP CAPITAL	50,768	RESERVES & SURPLUS	27,379
SECURED LOANS	26,044	UNSECURED LOANS	1,08,797
DEFERRED TAX LIABILITY	14,192		

APPLICATION OF FUNDS:

NET FIXED ASSETS	64,408	INVESTMENTS	1125
NET CURRENT ASSETS	1,25,600	MISC. EXPENDITURE	NIL
ACCUMULATED LOSSES	36,047		

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS) :

TURN OVER	3,87,530	TOTAL EXPENDITURE	3,85,931
PROFIT BEFORE TAX	3886	PROFIT AFTER TAX	3580
EARNING PER SHARE IN RS.	0.85	DIVIDEND	NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY. (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	PRODUCTS DESCRIPTION
72262000	ROLLED PRODUCTS

Note : Classification of products under ITC code being of a Technical nature, is not verified by the Auditors.



AUDITOR'S CERTIFICATE

To,
The Board of Directors,
Sharda Ispat Ltd.,
Kamptee Road,
Nagpur - 440026

We have examined the attached Cash Flow Statement of the Sharda Ispat Limited, Nagpur, for the year ended 31st March, 2011. The statement have been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

FOR LOYA BAGRI & CO.,
Firm Registration No. 105658W
Chartered Accountants,

CMM

(GOPAL DAS BAGRI)
Partner (M. No. 002933)
LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

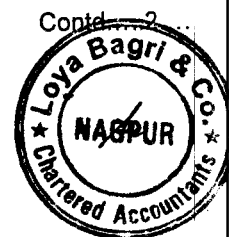
Nagpur, Dated the,
29th August, 2011



SHARDA ISPAT LTD.

Cash Flow Statement for the year ended 31st March, 2011

	(Rs. in lacs)	
	March, 2011	March, 2010
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	38.86	70.80
ADJUSTMENTS FOR		
Depreciation	68.11	67.40
Interest expenses	108.64	46.35
Sales Tax Deferred	10.66	12.73
Interest Income	(22.81)	(2.02)
	<u>164.60</u>	<u>124.45</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	203.46	195.25
Trade & other receivable	(142.82)	(164.65)
Inventories	(47.21)	(193.10)
Trade and Other Payable	179.56	204.17
	<u>(10.47)</u>	<u>(153.59)</u>
CASH GENERATED FROM OPERATIONS:	192.99	41.67
Income tax paid	(15.94)	(9.83)
Net cash/(Used in) from operating activities.	<u>177.06</u>	<u>31.84</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(22.45)	(110.18)
Sales of WIP	9.51	
Purchases of Shares	(11.25)	
Interest received	22.81	2.02
Net cash\ (used in) from investing activities.	<u>(1.38)</u>	<u>(108.16)</u>



C) CASH FLOW FROM FINANCING ACTIVITIES

Interest expenses	(108.64)	(46.35)
Receipt from Capital Allotment	85.10	-
Net Receipts of short term borrowings	(84.12)	63.91
Net cash /(used in) from Financing activities	<u>(107.66)</u>	<u>17.56</u>
Net Increase/(Decrease) in cash and cash equivalents	68.02	(58.76)
Cash and Cash Equivalents (Opening Balance)	15.41	74.17
Cash and Cash Equivalents (Closing Balance)	83.43	15.41

NOTES:

- 1) The above Cash flow statement has been prepared under " Indirect Method" as set out in the Accounting Standard '3'.
- 2) Cash and Cash equivalents consist of cash, cheques in hand, balances with banks including fixed deposit receipts.
- 3) The previous year's figures have been regrouped whenever necessary.

As per our report of even date attached
For Loya Bagri & Co.,
Firm Registration No. 105658W
Chartered Accountants

CM

(Gopal Das Bagri)
Partner
(M.No.002933)



Nagpur, dated the,
29th August, 2011

LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

SHARDA ISPAT LIMITED

[Signature]
DIRECTOR

SHARDA ISPAT LIMITED

Poonam Sarda
DIRECTOR