

Sharda Ispat Ltd.

Regd. Off.: Kamplae Road, Nagpur - 44 00 26
Tel.: 0712 - 2245156, 2245888, | Email: shardaipat.ngp@gmail.com
Website: www.shardaipat.com | CIN No.: L74210MH1960PLC011830



October 20, 2016.

The Secretary,
Bombay Stock Exchange Ltd.
Phiroze jeejeebhoy Towers,
27th Floor, Dalal Street,
Mumbai 400023

Dear Sir/ Madam,
Sub: - Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015
Scrip Code: - 513548

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are forwarding copy of Annual Report which is approved and adopted in the Annual General Meeting of the Company held on 30th September, 2016.

Kindly take the above information on record.

Thanking you,

Yours Sincerely,
For Sharda Ispat Limited

(Amit B. Mundada)
(Company Secretary & Compliance officer)



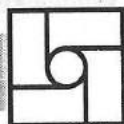
Encl:- As above

55th
Annual
REPORT

2015-2016



SHARDA ISPAT LIMITED
NAGPUR



SHARDA ISPAT LIMITED, Nagpur

BOARD OF DIRECTORS

SHRI N. K. SARDA	: Chairman & Managing Director
SMT POONAM SARDA	: Whole Time Director & CFO
SHRI H. K. DASS	: Independent Director
SHRI R. P. MOHANKA	: Independent Director
SHRI RAMESH MANTRI	: Independent Director
SHRI AMIT B. MUNDADA	: Company Secretary & Compliance Officer

AUDITORS	: LOYA BAGRI & CO. Chartered Accountants, Gandhibagh, Nagpur - 440002
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INTERNAL AUDITOR	: M. M. JAIN Chartered Accountants, Kingsway, Nagpur - 440 001.
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BANKERS	: NAGPUR NAGRIK SAHAKARI BANK LTD.
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REGISTERED OFFICE	: Kamptee Road, Nagpur - 440026 Phone No. 0712-2640071 E-mail : shardaispat.ngp@gmail.com
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PLANT	: Kamptee Road, Nagpur - 440026
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CORPORATE OFFICE	: Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur-440010
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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
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WEBSITE	: www.shardaispat.com
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**COMMITTEES:****1. Audit Committee**

Sr.No.	Name of the Members	Position
1.	Shri. R.P. Mohanka	Chairman
2.	Shri Ramesh Mantri	Member
3.	Shri H. K. Dass	Member

2. Nomination and Remuneration Committee

Sr.No.	Name of the Members	Position
1.	Shri. R.P. Mohanka	Chairman
2.	Shri Ramesh Mantri	Member
3.	Shri H. K. Dass	Member

3. Stakeholders Relationship Committee

Sr.No.	Name of the Members	Position
1.	Shri. H.K. Dass	Chairman
2.	Shri N.K. Sarda	Member
3.	Smt. Poonam Sarda	Member

**SHARDA ISPAT LIMITED**

(CIN: L74210MH1960PLC011830)

Regd Office : Kamptee Road, Nagpur 440 026 Ph.: 0712- 2640071, 72
e-mail: silngp@rediffmail.com, website : www.shardaispat.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 55th Annual General Meeting of the Members of SHARDA ISPAT LIMITED will be held on Friday, the 30th day of September, 2016 at 10.00 a.m. at the Corporate Office of the Company, at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur 440010 Maharashtra to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
- 2) To consider continuation of the appointment of Smt. Poonam Sarda, (DIN: 00190512) Whole-time director and Chief Financial Officer of the Company who is liable to retire by rotation as per applicable provisions of the Companies Act, 2013.
- 3) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under as amended from time to time, M/s Loya Bagri & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 105658W) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of fifty-sixth AGM of the Company to be held in the year 2017, at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

- 4) Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2017:

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Rules framed there under, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs. 25,000/- payable to M/s Narendra Peshne and Associates, Cost Accountants, Nagpur who are appointed by the Board of Directors of the Company to conduct audit of the Cost records pertaining to steel products maintained by the Company for the Financial year ending March 31, 2017."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**5) Approval of Related Party Transaction under Section 188 of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) read with the Rule 15 of Companies (Meetings of Board and its powers) Rules 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with Related parties as defined under the Act with respect to Sale, availing services with the following related parties."

Name of Related Party	Nature of Relationship	Nature of Transactions	Maximum Expected Value of the Transactions per annum (Rs.)	Duration of Transactions or Contract
Sharda Auto Industries Limited	Associate Concern	Sale of Spring Steel Flat Bars	2,00,00,000/-	3 Years
Sharda Ispat Industries Limited	Associate Concern	Availing of Services (Premises on Rent)	48,00,000/-	3 Years

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

Registered Office:
Kamptee Road,
Nagpur 440 026

(CIN: L74210MH1960PLC011830)
website : www.shardaispat.com

Date : 25.08.2016

By Order of the Board,

N.K.Sarda
DIN: 00229911
Chairman & Managing Director

**NOTES:****1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

- 2) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item Nos. 4 to 6 set out above is annexed hereto.
- 3) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- 4) The Register of Members and Share Transfer Books of the company will remain closed from 24.09.2016 to 30.09.2016 (both days inclusive)
- 5) The shareholders holding shares in physical mode are requested to intimate the changes, if any, in their registered address, Bank mandate i.e. name of bank, branch address, account number, MICR/IFS Code to the Company and/or R & T Agent, or their respective Depository Participants (DPs), if the shares are held in demat mode.
- 6) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 7) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's R & T Agent, for consolidation into a single folio.
- 8) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's R & T Agent, mentioning your correct reference folio number in case of holdings in physical form.
- 9) In compliance with the provisions of Section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The e-voting period commences on Tuesday, September 27, 2016 (10:00 a.m.) (IST) and ends on Thursday, September 29, 2016 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cutoff date, Friday, September 23, 2016 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on, September 27, 2016 (10:00 a.m.) (IST) and ends on Thursday, September 29, 2016 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 23, 2016 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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



- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of Members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Tuesday, September 27, 2016 at 10:00 a.m. IST and ends on Thursday, September 29, 2016 at 5:00 p.m. IST. During this period, shareholders' of the Company, holding shares as on Friday, September 23, 2016, (Cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help section or write an email to 'helpdesk.evoting@cdslindia.com'.

Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company. Members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Shri. Chandra Prakash Jha, Company Secretary in Practice, C/o. A-14/22, Vyankatesh Nagar, Near K.D.K college, Nandanvan, Nagpur 440009 Maharashtra, so as to reach by 5.00 p.m. on September 29, 2016. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e. September 23, 2016.

The Scrutinizer will within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at Least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results will be declared on 01st of October, 2016.

- 10) To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
- 11) Shri. Chandra Prakash Jha, Company Secretary in Practice, has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot, in a fair and transparent manner.
- 12) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shardaispat.com and on the website of CDSL www.evoting.cdsl.com within 2 (two) days of passing of the resolutions at the 55th AGM of the Company on September 30, 2016 and communicated to the BSE Limited and Ahmadabad Stock Exchange/ Calcutta Stock Exchange, where the shares of the Company are listed.
- 13) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- 14) Since the securities of the Company are already admitted on both the depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) the members have got option for dematerializing their shares.
- 15) Members are requested to make all correspondence relating to physical shares, transfer of shares, dematerialization of shares, bank mandate, registration of e-mail address to R & T Agent of the Company at the following address:

ADROIT CORPORATE SERVICES PRIVATE LIMITED

19/20, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Marol, Andheri (E), Mumbai 400 059



**Statement To be Annexed to Notice
Pursuant To Section 102 of the Companies Act, 2013**

Item Nos. 4:

The Board had on August 12, 2016 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Narendra Peshne and Associates, the Cost Auditors to conduct the audit of the Cost records pertaining to steel products maintained by the Company for the Financial Year ending March 31, 2017 and remuneration of Rs. 25,000/- has been fixed for this purpose. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2016-17 by way of an Ordinary Resolution is being sought from the members as set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.4 of the Notice.

Item No.5:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. Section 188(1) provides that no Company shall enter into any contract or arrangement with a related party except with the consent of Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014.

The provision of section 188(1) of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014, provides that the following Related Party Transactions require to be approved by the shareholders by way of an ordinary resolution:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying property of any kinds;
- c) Leasing of property of any kinds;
- d) Availing or rendering any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate Company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the company.

In light of above provision of the Companies Act, 2013 and rules made thereunder, the Audit committee and the Board of Directors of the Company have approved the transaction along with the annual limits that your company may enter with the related party for the financial year 2016-17, 2017-18 & 2018-19.



All disclosure prescribed to be given under the provision of the Companies Act, 2013 and the Companies (Meeting of the Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.

Name of Related Party	Nature of Relationship	Nature of Transactions	Maximum Expected Value of the Transactions per annum (Rs.)	Duration of Transactions or Contract
Sharda Auto Industries Limited	Associate Concern	Sale of Spring Steel Flat Bars	2,00,00,000/-	3 Years
Sharda Ispat Industries Limited	Associate Concern	Availing of Services (Premises on Rent)	48,00,000/-	3 Years

- Any advance paid or received for the contract or arrangement, if any. NIL
- Manner or determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transaction would be carried out as part of the business requirement of the Company and are ensured to be on arm's length basis.
- Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factor have been considered.
- Any other information relevant or important for the board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to the second provision of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such ordinary resolution to approve any contracts or arrangement, if such member is a related party.

Yours directors recommend the resolution for your approval.

Except Mr. Nandkishore Ramniwas Sarda Chairman and Managing Director and Poonam Anand Sarda Whole-time Director & CFO none of the Directors, Key Managerial Person of the Company and their relatives is/are concerned or interested in the resolution.

Registered Office:

Kamptee Road,
Nagpur 440 026

(CIN: L74210MH1960PLC011830)
website : www.shardaispat.com

Date : 25.08.2016

By Order of the Board,

N.K.Sarda
DIN: 00229911
Chairman & Managing Director

**BOARD'S REPORT**

To,
The Members of **SHARDA ISPAT LIMITED**

Your Directors have pleasure in presenting the 54th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

FINANCIAL HIGHLIGHTS

(Amt. in Rs.)

Sr. No.	Particulars	Standalone	
		2015-2016	2014-2015
1	Gross Income	59,43,07,314	57,22,16,143
2.	Profit Before Interest and Depreciation	2,24,31,437	2,71,67,589
3.	Less: Finance Charges	1,40,94,528	1,52,34,893
4.	Gross Profit	83,36,909	1,19,32,696
5.	Less: Provision for Depreciation	22,85,241	18,86,403
6.	Profit Before Exceptional Item & Tax	60,51,668	1,00,46,293
7.	Profit on Sale of Land	97,00,406	-----
6.	Net Profit Before Tax	1,57,52,074	1,00,46,293
7.	Less: Provision for Tax		
	a) Current Tax	33,00,000	35,50,000
	b) Income Tax (earlier years)	(6,796)	29,236
	c) Deferred Tax	(1,93,229)	(13,95,484)
8.	Net Profit After Tax	1,26,52,099	78,62,541
9.	*Balance of Profit/(Loss) brought forward	(54,81,409)	(19,27,805)
10.	Effect of Adjustment due to Transition position of schedule II of Companies Act 2013	----	(1,14,16,145)
11.	Surplus carried to Balance Sheet	71,70,690	(54,81,409)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The business sentiment across the globe continued to remain weak in financial year 2015-16. Nevertheless, the cheaper imports of steel products from the China and Russia posed the major problem for the World's as well as domestic steel industry. But even in such tough conditions the Company's performance got improved than the previous financial year.

During the period under review, the Company posted the sales turnover of Rs. 6674.73 Lacs (Own Unit 6600.92 Lacs (14573.705 MT) and Conversion / Service 73.81 Lacs) (2475.876 MT) as against Rs. 6169.22 Lacs [Own Unit 6124.30 Lacs (12189.315 MT) and Conversion / Service 44.92 Lacs (1159.33 MT) during the previous year. The total expenditure including cost of interest and provision for depreciation is Rs. 5882.56 Lacs and net profit before tax Rs. 157.52 Lacs. After adjusting Rs. 30.99 Lacs towards tax expenses the Company earned net profit after tax of Rs. 126.52 Lacs as a



against Rs.78.62 Lacs during the last year. As can be seen, despite the adversities the Company recorded marginal profit than the previous financial year.

As per the financial results of first quarter of the financial year 2016-17, the performance of the Company would be promising and it gives hope of satisfactory performance in the remaining quarters of the year.

DIVIDEND

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

AMOUNTS TRANSFERRED TO RESERVES

Your Directors decided to transfer the amount of Rs. 1,26,52,099/- to the general reserves.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company has no Subsidiary/Associate/Joint venture Company (ies) in terms of the provisions of the Companies Act, 2013.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts including unclaimed dividend which were required to be transferred, to the Investor Education & Protection Fund by the Company.

MATERIAL CHANGES AND COMMITMENTS

Your Directors confirm that there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure: 1)

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, the Board met 10 (Ten) times on the following dates.

S.No	Date	Board Strength	No. of Directors present
1.	30.05.2015	5	5
2.	15.07.2015	5	5
3.	14.08.2015	5	4
4.	02.09.2015	5	5
5.	03.10.2015	5	5
6.	12.11.2015	5	5
7.	09.01.2016	5	4
8.	09.02.2016	5	5
9.	13.02.2016	5	5
*10.	31.03.2016	5	3

(Only Non-Executive & Independent Directors)

(Note: - This Meeting is only for Non-Executive & Independent Directors)

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date.
- (c) The Directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down proper internal financial controls and that such internal financial controls are adequate and are operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND REPORT THEREON

The Auditors Report and its Annexures are self-explanatory. M/s. Loya Bagri & Co., Chartered Accountants, Nagpur retire as Statutory Auditors of the Company at the conclusion of 55th Annual General Meeting and are eligible for re-appointment.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

LOANS, GUARANTEES AND INVESTMENTS

During the period under review, the Company has not given any loans or guarantees or provided any security or made any investments as referred to in section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered into by the Company with the related parties are given in Form No. AOC-2 annexed hereto as **Annexure 2**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 matters to be included in Board's Report regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **Annexure 3**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**APPOINTMENT OF WOMAN DIRECTOR**

Smt. Poonam Sarda who was appointed as Director of the Company on 21.01.2010 and further as



Whole Time Director on 01.04.2012 has been continued as woman director of the Company. She is a part of promoters' group and is related to Chairman & Managing Director of the Company Shri. N K Sarda.

RE-APPOINTMENT OF DIRECTOR:

Smt. Poonam Sarda, the Whole Time Director & CFO of the Company is liable to retire by rotation and being eligible, offers herself for re-appointment.

None of the other directors are related inter se except Shri. N K Sarda and Smt. Poonam Sarda, who are related to each other.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL:

In terms of the provisions of Section 203 of the Companies Act, 2013, Shri Nandkishore Sarda, Chairman and Managing Director, Smt. Poonam Sarda, Whole-time Director and Shri. Amit B. Mundada, Company Secretary & Compliance officer are the key managerial personnel of your Company.

INDEPENDENT DIRECTOR'S STATEMENT:

Independent Directors on your Company's Board have submitted declarations of independence to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulation.

DEPOSITS

The company has not invited or accepted any public deposit during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

RATIO OF REMUNERATION TO EACH DIRECTOR

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure (4)** hereto.

ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, Independent Directors, Executive Director, Committees and the Chairman of the Board.

A special exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Attendance at meetings of the Board and Committees thereof, Participation in Board meetings or Committee thereof, Contribution to strategic decision making, Review of risk assessment and risk mitigation, Review of financial statements, business performance and Contribution to the enhancement of brand image of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

CORPORATE GOVERNANCE

In terms of Regulation 15 (2) of Listing Obligations and Disclosure Requirements Regulations, 2015 (LODR) the Company's Paid-up Equity Share Capital is not exceeding Rupees ten crore and net worth not exceeding Rupees twenty five crore. The Corporate governance provisions are not applicable to the Company including preparation of Report on Corporate governance. Hence Company has not prepared Report on Corporate Governance.



The remuneration package of the directors is as follows:

Name of Director	Shri N.K. Sarda	Smt. Poonam Sarda
Salary	Rs. 15,00,000/- p.a.	Rs. 12,00,000/- p.a.
Bonus	Nil	Nil
Stock Options	Nil	Nil
Pension	Nil	Nil

Perquisites:

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- Encashment of leave at the end of tenure.

INDEPENDENT DIRECTORS AND DECLARATION

Shri R.P. Mohanka, Shri. Ramesh Mantri and Shri. H.K. Dass have been appointed as the independent directors of the company as per Section 149(10) of the Companies Act, 2013 on 29.09.2014 for a term of 5 consecutive years on the Board of the Company.

The Board of Directors of the Company hereby confirm that all the independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. The table sets out the composition of the Committee:

Name of Director	Position held in the Committee	Category of the Director
Shri R. P. Mohanka	Chairman	Non-Executive Independent Director
Shri Ramesh Mantri	Member	Non-Executive Independent Director
Shri H. K. Dass	Member	Non-Executive Independent Director

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under :

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance



objectives appropriate to the working of the company and its goals:

4. Regularly review the Human Resource function of the Company.
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Non Executive Directors:

The Non Executive Directors are paid remuneration by way of Sitting Fees. The Non Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of three directors. The board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

Name of Director	Position held in the Committee	Category of the Director
Shri R. P. Mohanka	Chairman	Non-Executive Independent Director
Shri Ramesh Mantri	Member	Non-Executive Independent Director
Shri H. K. Dass	Member	Non-Executive Independent Director

Meetings and attendance during the year

The Audit Committee met 4 (four) times during the year on 30-05-2015, 14-08-2015, 12-11-2015 and 13-02-2016.

Sr. No.	Name of Member	No. of Audit Committee Meeting Attended
1.	Shri R. P. Mohanka	4
2.	Shri H. K. Dass	4
3.	Shri Ramesh Mantri	4

As on 31st March 2016 the committee comprised of three independent directors, all of whom are financially literate and have relevant finance / audit exposure. The managing director and the chief financial officer are permanent invitees to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The company secretary acts as the secretary to the committee.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

In view of complying with the provisions of the Section 178 (5) of the Companies Act, 2013 a listed Company is required to have a 'Stakeholders Relationship Committee'. The Company already has its 'Stakeholders Relationship Committee', Shri. H.K.Dass Non-Executive and Independent director is the Chairman of the committee. Shri. N.K.Sarda and Smt. Poonam Sarda are the other members of the committee.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialization of shares and all other issues pertaining to shares and also to redress investor's grievances like non receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agent "Adroit Corporate Services Private Limited". The committee met 4 (Four) times during the year 2015-2016 on 30-04-2015, 28-08-2015, 01-10-2015 & 09-10-2015.

Sr. No.	Name of Member	No. of Audit Committee Meeting Attended
1.	Shri H.K. Dass	4
2.	Shri N.K. Sarda	4
3.	Smt. Poonam Sarda	4

SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to annex to its Board Report, a Secretarial Audit Report given by a Company Secretary in Practice, in the prescribed form. The Board has appointed Chandra Prakash Jha, Practicing Company Secretary as Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year ended 31st March 2016. The report of the Secretarial Auditor is attached as **Annexure 5**.

The necessary clarification/explanation on the qualifications or adverse remarks in the Secretarial Audit Report are given below:

Clause No. 1 The Company has passed necessary resolution in its Board meetings. Non filing of E-form MGT-14 was occurred inadvertently. Steps are being taken to e-file the Forms.

Clause No. 2 The Company is in process for forwarding the said documents to the Stock Exchanges shortly.

Clause No.3 In terms of Circular No CIR/CFD/ CMD/6/2015 dated 13th October, 2015 issued by the Securities Exchange Board of India (SEBI) the Company has entered into fresh listing agreement with all the three stock exchanges namely Mumbai, Ahmedabad and Calcutta. The company is in process to get the signed copy of listing agreement from Calcutta and Ahmedabad Stock Exchanges, Reminders were also given to Stock Exchanges.

Clause No.4 (a) to (d) The Company has Complied with the requirements by e-mail and hard copy. However the postal proof of the same is missing at the Company. The Company has mailed to Stock Exchange and requested for acknowledgement of receipt of documents.

Clause No. 5 The Website of the Company is active and all documents are updated as per statutory provisions.

Clause No.6 The Company is in process to remove suspension from Calcutta Stock Exchange.



Clause No. 7 (i) The Company has complied with the pending non-filed forms and filed the same with applicable additional filing fees.

Clause No. 7 (ii) The Company has filed the Statement of Investor affairs for quarter ended 31st December, 2015. Due to new provisions and procedural aspects its filing was delayed.

Clause No. 8 In view of present Board Structure, the Company followed the provision of Section 152 of the Companies Act, 2013 regarding retirement of director taking into consideration the prohibitory provisions for retirement of Managing Director given in the Articles of Association of the Company and further provision in the Act as regards to non retirement of Independent Directors. As such, the Company will increase the number of Directors on the Board of the Company.

Clause no. 9 The Company's policy is always to become legally compliant. The Company is following the provisions of Secretarial Standards.

APPOINTMENT OF COST AUDITORS

The Board at its meeting held on 12.08.2016 has re-appointed M/s. Narendra Peshne & Associates, Cost Accountants as Cost Auditors to conduct audit of cost accounting records of the Company for the financial year ending 31.03.2017. Pursuant to the provisions of section 148 of the Companies Act, 2013 and rules made there under, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Cost Auditors forms a part of the Notice of the Annual General Meeting. Your Directors recommend the same.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Section 177(9) and (10) of the Companies Act, 2013, the company has established Vigil Mechanism named Whistle Blower Policy for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. The Company has in place a vigil mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or Violation of Company's code of conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee.

SEXUAL HARASSMENT POLICY

The Company has in place a policy on prevention of sexual harassment of its employees at the workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints Committee has been constituted by the Company to redress the complaints received regarding sexual harassment. Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

ORDER OF COURT

The details of significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future, if any: Not Applicable.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The internal financial control system in your Company commensurate with the size and nature of its operations and financial aspects. The 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 internal controls. The Board and the management review the findings and recommendations of the audit committee as well as the auditors and take in that behalf the corrective actions, whenever necessary. The Board invariably monitors the accounting functioning in the Company and ensures that the accounting treatments are in conformity with the prescribed accounting standards and procedures in that behalf.

The Board also considers risk assessment, identification of mitigating actions and internal financial control procedure to ensure that business as well as financial risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

SHARES IN SUSPENSE ACCOUNT

There are no such shares of the Company which are to be kept in shares suspense account.

MATERIAL VARIATIONS

There are no material variations between the projections and the actual utilization/profitability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMY:**

In the Financial year 2015-16 the global economy continued its modest pace of growth with only slightly increase than the previous year. While the US economy witnessed a mixed year, whereas the European economy exhibited its highest growth since 2010. Most of the emerging economies remain subdued in their respective growth rates due to factors like volatility in commodity prices, currency fluctuations and geo-political factors.

Indian Economy was among the few bright spots and is one of the fastest growing major economies with a growth rate of 7.6% (a five year high) in the financial year 2015-16. The Indian economy witnessed a growth due to factors infrastructure development, industrial sector performance and moderate interest rates. The World Bank forecasts India's growth rate to 7.8% in 2016-17 and International Monetary Fund (IMF) retains its growth rate forecast at 7.5% in 2016. Whereas the World Bank expects the Indian Economy to grow even faster growth rate of 7.9% in the coming years.

Besides the problem of increase in Capital Expenditure, India continues to witness significant level of imports to the tune of 10 million tones during the year, as against 13 million tones last year, while initiatives like the safeguard duty and minimum import price have provided some relief to predatory pricing being followed by the exporting countries.

INDUSTRY STRUCTURE & DEVELOPMENTS;

The forecast of World Steel Association (WSA), that the global steel demand is expected to decline by 0.8% to 1488 mt in 2016 after a contraction of 3% in 2015. In 2017, it is forecast that World Steel demand will return to growth of 0.4% and will reach 1,494 mt. The continuous rebalancing of the



Chinese economy has depressed the manufacturing sector. A recovery for the construction sector is not likely in the near future. Exports from other developing and developed countries have declined due to muted demand in China.

The world steel market continues to suffer from weakness in the manufacturing sector and inadequate investments in the developed economies. The growth in advanced economies is expected to be modest owing to factors such as low productivity, unfavorable demographic trend, uncertainties in the political landscape and slowdown in activities on account of the ongoing financial crisis. This calls for growth in emerging markets and developing economies for recovery.

In the backdrop of the above environment, India's prospects seem bright with the Government of India taking several policy measures to support manufacturing, infrastructure and foreign investment. As per World Steel association, steel demand in the emerging and developing economies (excluding China) is expected to grow by 1.8% and 4.8% respectively in 2016.

OUTLOOK FOR STEEL INDUSTRY:

According to the International Monetary Fund (IMF), the global economy is expected to grow at approximately 3.2% in 2016. Prospects of Higher growth in Financial Year 2016-17 are primarily dependent upon the economic performance of developing and emerging economies, especially India, as they continue to be the engine of global growth. India is expected to continue its growth momentum in financial year 2016-17 on the back of robust manufacturing sector growth. Further various projects taken by the government like 'Make in India', 'Smart Cities', 'Digital India', 'Projects of Metro Railways constructions in various cities' and promoting affordable housing policy initiatives by the Government of India augurs well for the steel demand pick up in India. The consumption demand is expected to benefit from the upcoming Pay commission award, continued low commodity prices, recent interest cut rates etc. The monsoon, after two years of drought, is expected to be normal this year and this is likely to drive consumer discretionary spending in rural areas. Overall, the Indian economy is poised to realize the benefits of higher government spending and policy initiatives, rural demand and continuing reforms. The World Steel Association (WSA), expects the Indian Steel demand growth rate in Current year 2016 is expected to be highest amongst the top 10 steel consuming regions/ countries which account for more than 85% of the world steel consumption.

India has emerged as one of the brightest spots in a world grappling with economic turbulence and fragile growth. It is expected to be one of the fastest growing economies in the world in Financial year 2017 with a growth rate estimated between 7.5 % to 8% because of the fundamentals of strong consumption and the governments push for streamlining business processes.

OPPORTUNITIES AND THREATS:

Your Company is ready to take advantage of opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages as your Company is logistically situated in Central India which helps to cater the needs of various customers situated in India in turnaround time, easy availability of raw material, technologically advanced manufacturing processes and management expertise. These opportunities will be linked directly to serve the demand from various sectors like automobile, infrastructure construction, power. Your Company's strategic location in Nagpur offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel. The threats for your Company would come from volatility in input prices, slackening in market prices of finished goods due to cheaper imports from country like China, Russia. Delay in fulfillment of customers demand may result in loss of revenue generation and rise in cost.

**SEGMENTWISE OR PRODUCT-WISE PERFORMANCE:**

The Company operates in only one segment i.e. iron & steel. During the financial year 2015-2016 the Company achieved production of steel product as under:

Own Unit	-	14573.705 MT	(Previous Year 12189.315 MT)
Sales (Rs.)	-	6600.92 Lacs	(Previous Year 6124.30 Lacs)
Conversion Service	-	2448.836 MT	(Previous Year 1159.33 MT)
Sales (Rs.)	-	73.81 Lacs	(Previous Year 44.92 Lacs)

RISK & CONCERNS:

The Company has placed Risk Management Policy for identifying the major areas of risks and concerns under risk management processes and frameworks. For the attainment of organizational objectives the Company has well versed system of mitigating the risk proactively. The steps taken by the Company is enumerated below:

- Systems Your Company has implemented ERP, the software for Enterprise Resource Planning and integrated its operations to use best business and commercial practices.
- Statutory compliances Procedure is in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors at its meetings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. It ensures that all assets are safeguarded against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Additionally the internal financial control and reporting process ensures robust financial monitoring and ensures compliances. The Company also deploys standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations.

The key features of Internal Control System is of adequate documentation of policies, guidelines, authorities and approval procedures covering all important functions of the Company, implementation of ERP system which covers most of its operations, ensuring complete compliance with laws, regulations, standards and internal procedures and system, ensuring the integrity of the accounting system, proper and authorized recording and reporting of all transactions, preparation of annual budgets, ensuring reliability of all financial and operational information, Audit Committee comprises of all independent directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards etc. The internal control systems and procedures are designed to assist in the identification and management of risks, process owners undertake corrective actions in their respective areas and thereby strengthen the control.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the fiscal 2015-16, the Company achieved the sales turnover, of Rs. 6674. 73 Lacs {Own Unit 6600. 92 Lacs (14573. 705 MT) and Conversion / Service 73.81 Lacs (2475.876 MT)} as against Rs. 6169.22 Lacs {Own Unit 6124.30 Lacs (12189.315 MT) and Conversion / Service 44.92 Lacs (1159.33 MT)} during the previous year. After providing Rs. 22.85 Lacs for depreciation and Rs. 140. 95 Lacs towards interest and further adjusting Rs. 30. 99 Lacs for taxation (net) the Company posted net profit after tax of Rs. 126.52 Lacs as against Rs. 78.62 Lacs during the last year. The operational performance of the Company was improved due to various initiatives taken by the



government specially in second half of the year like imposition of anti-dumping duty on cheaper exports.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The company recognizes the people are the core, which makes a difference. The Company believes that Human resources are a dynamic and evolving resource. It is one of the key resources to enhance organizational effectiveness. In order to leverage on the same the company is striving to create and maintain a performance driven, fair and transparent culture. Clear business plan linked cross functionally aligned key result areas for each position enables every employee to contribute to the organizations goals. Opportunities are provided to every employee to stretch and realize their potential while contributing in success of the organization. Emphasis on balanced working with due importance to employee health and safety are key practices followed. 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. During the year ended 31.03.2016 the total number of employees employed by the Company was 39 (Thirty Nine).

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For & on behalf of the Board of Directors

Date: 25.08.2016

Place: Nagpur

N. K. Sarda

DIN: 00229911

Chairman & Managing Director



Annexure 1 to Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN :- L74210MH1960PLC011830
- ii. Registration Date: 22-09-1960
- iii. Name of the Company: Sharda Ispat Limited
- iv. Category / Sub-Category of the Company : Company Limited by Shares/ Indian Non-Government Company
- v. Address of the Registered office and contact details: Kamptee Road, Nagpur-440026
- vi. Whether listed company : Yes / No
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any :
Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Marol, Andheri, (E), Mumbai 400059, Tel : 91-22-28594060 Fax: 91-22-28503748
E-mail: adroit@vsnl.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S.No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Manufacture of Basic Iron and Steel-Hot rolled Product Steel	24101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has no Subsidiary/Associate/Joint venture Company (ies) in terms of the provisions of the Companies Act, 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding**



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	995620	709500	1705120	33.59	995620	709500	1705120	33.59	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	1305380	797100	2102480	41.41	1305380	797100	2102480	41.41	0.00
Sub-total									
(A) (1):-	2301000	1506600	3807600	75.00	2301000	1506600	3807600	75.00	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total									
(A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter									
(A) = (A) (1)+(A) (2)	2301000	1506600	3807600	75.00	2301000	1506600	3807600	75.00	0.00
B. Public									
Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	159932	323260	483192	9.52	161513	323260	484773	9.55	0.03
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	23208	682800	706008	13.91	26927	677500	704427	13.88	0.03



ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	65000	65000	1.28	0	65000	65000	1.28	0.00
c) Others (Trust)	0	15000	15000	0.30	0	15000	15000	0.30	0.00
Sub-total (B)(2):-	183140	1086060	1269200	25.08	188440	1080760	1269200	25	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	183140	1086060	1269200	25.08	188440	1080760	1269200	25	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	2484140	2592660	5076800	100.00	2489440	2587360	5076800	100.00	0.06

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Abhiculp Agriculture and Property (P) Ltd.	30000	0.59	N.A	30000	0.59	N.A	0.00
2.	Asha Agriculture and Properties Pvt. Ltd.	526500	10.37	N.A	526500	10.37	N.A	0.00
3.	Kyoto Merchandise Pvt. Ltd.	400000	7.88	N.A	400000	7.88	N.A	0.00
4.	Navdeep Agriculture and properties Pvt. Ltd.	243380	4.79	N.A	243380	4.79	N.A	0.00
5.	Prachi Agriculture and Property Pvt. Ltd.	98100	1.93	N.A	98100	1.93	N.A	0.00
6.	Prem Agriculture and Property Pvt. Ltd.	225740	4.45	N.A	225740	4.45	N.A	0.00
7.	Sarda Agriculture and Properties Pvt. Ltd.	181400	3.57	N.A	181400	3.57	N.A	0.00
8.	Aditi G. Sarda	20300	0.40	N.A	20300	0.40	N.A	0.00
9.	Aditya Ghanshyam Sarda	32200	0.63	N.A	32200	0.63	N.A	0.00
10.	Anand Sarda	584000	11.50	N.A	584000	11.50	N.A	0.00



11.	Anandkumar Nandkishore Sarda (HUF)	24000	0.47	N.A	24000	0.47	N.A	0.00
12.	Anant Sarda	31500	0.62	N.A	31500	0.62	N.A	0.00
13.	Ashadevi Sarda	166520	3.28	N.A	166520	3.28	N.A	0.00
14.	Ghanshyam Das Sarda (HUF)	4000	0.08	N.A	4000	0.08	N.A	0.00
15.	Ghanshyam Sarda	87400	1.72	N.A	87400	1.72	N.A	0.00
16.	Jugal kishore Sarda (HUF)	41380	0.82	N.A	41380	0.82	N.A	0.00
17.	Jugalkishore Sarda	90200	1.78	N.A	90200	1.78	N.A	0.00
18.	Kamalkishore Sarda	100120	1.97	N.A	100120	1.97	N.A	0.00
19.	Kamini Sarda	1200	0.02	N.A	1200	0.02	N.A	0.00
20.	Kunj Behari Sharda	1500	0.03	N.A	1500	0.03	N.A	0.00
21.	Madhubala Thakudas Laddha	11200	0.22	N.A	11200	0.22	N.A	0.00
22.	Manish Jugalkishore Sarda	25700	0.51	N.A	25700	0.51	N.A	0.00
23.	Nandkishore Sarda (HUF)	116640	2.30	N.A	116640	2.30	N.A	0.00
24.	Nandkishore Sarda	143000	2.82	N.A	143000	2.82	N.A	0.00
25.	Neeraj Sarda	57800	1.14	N.A	57800	1.14	N.A	0.00
26.	Pankaj Sarda	33600	0.66	N.A	33600	0.66	N.A	0.00
27.	Poonam Sarda	123060	2.42	N.A	123060	2.42	N.A	0.00
28.	Prachi Kamalkishore Sarda	10000	0.20	N.A	10000	0.20	N.A	0.00
29.	Premilata Sarda	84500	1.66	N.A	84500	1.66	N.A	0.00
30.	Raghav Sarda	32200	0.63	N.A	32200	0.63	N.A	0.00
31.	Ramkishore Shrilal Sarda	58460	1.15	N.A	58460	1.15	N.A	0.00
32.	R.R.Sarda and Company	10000	0.20	N.A	10000	0.20	N.A	0.00
33.	Sandeep T.Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
34.	Shakuntaladevi Sarda	41400	0.82	N.A	41400	0.82	N.A	0.00
35.	Sharda Dharam Kanta	10000	0.20	N.A	10000	0.20	N.A	0.00
36.	Shashi K.Rathi	16600	0.33	N.A	16600	0.33	N.A	0.00
37.	Sheetal K.Rathi	3000	0.06	N.A	3000	0.06	N.A	0.00
38.	Smita T.Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
39.	Umadevi Sarda	66000	1.30	N.A	66000	1.30	N.A	0.00
40.	Veenadevi G.Sarda	55000	1.08	N.A	55000	1.08	N.A	0.00
	Total	3807600	75.00	N.A	3807600	75.00	N.A	0.00



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	3807600	75.00	3807600	75.00
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease	No change in Promoters' Share holding			
3.	(e.g. allotment / transfer / bonus / sweat equity etc):				
4.	At the End of the year	3807600	75.00	3807600	75.00

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholder's	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Sulakshana Trade Holdings Ltd.	284160	5.60	N.A	Nil	N.A	284160	5.60
2.	Cherry Tie Up Pvt.Ltd.	158972	3.13	N.A	Nil	N.A	158972	3.13
3.	Raj Arya	25000	0.49	N.A	Nil	N.A	25000	0.49
4.	Sukumar Estates Ltd.	21000	0.41	N.A	Nil	N.A	21000	0.41
5.	Gopaldas Nandlal Mundra	20000	0.39	N.A	Nil	N.A	20000	0.39
6.	Shrigopal Pansari	20000	0.39	N.A	Nil	N.A	20000	0.39
7.	Radhadevi Narayandas Mundra	10000	0.20	N.A	Nil	N.A	10000	0.20
8.	K.K.S.(Trustee) Uma Family Trust	7500	0.15	N.A	Nil	N.A	7500	0.15
9.	K.K.S.(Trustee) Lata Family Trust	7500	0.15	N.A	Nil	N.A	7500	0.15
10.	Suresh Gupta	5400	0.11	N.A	Nil	N.A	5400	0.11

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Shri. N.K.Sarda (Chairman & Managing Director)	143000	2.82	N.A	Nil	N.A	143000	2.82
2.	Smt.Poonam Sarda (Whole-time Director & CFO)	123060	2.42	N.A	Nil	N.A	123060	2.42
3.	Shri. Amit B.Mundada (Company Secretary & Compliance Officer)	0	0	N.A	Nil	No Shares held	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,43,52,562	7,90,42,995	0	16,33,95,557
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i +ii + iii)	8,43,52,562	7,90,42,995	0	16,33,95,557
Change in Indebtedness during the financial year				
• Addition	0	0	0	1,70,91,963
• Reduction	(3,05,79,993)	(4,23,50,934)	0	(7,29,30,927)
Net Change	(3,05,79,993)	(4,23,50,934)	0	(7,29,30,927)
Indebtedness at the end of the financial year				
i) Principal Amount	5,37,72,569	3,66,92,061	0	9,04,64,630
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i +ii + iii)	5,37,72,569	3,66,92,061	0	9,04,64,630

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		N.K. Sarda	Poonam Sarda*	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	12,00,000	27,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- Others, specify...			
5.	Others, please specify	-	-	-
	Total (A)	15,00,000	12,00,000	27,00,000
	Ceiling as per the Act	15,00,000 P.A.	15,00,000 P.A.	

*Smt. Poonam Sarda is Whole-time Director as well as CFO of the Company.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		R.P. Mohanka	Ramesh Mantri	H. K. Dass	
1	Independent Directors				
	• Fee for attending board meeting	2,000	2,000	2,000	6,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	2,000	2,000	2,000	6,000
2	Other Non-Executive Directors				
	• Fee for attending board committee meeting	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
3	Total (B)=(1+2)	2,000	2,000	2,000	6,000
	Total Managerial Remuneration	2,000	2,000	2,000	6,000
	Overall Ceiling as per the Act	1,00,000	1,00,000	1,00,000	
		Per Board Meeting			

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary	12,00,000	3,84,000	15,84,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	• as % of profit	-	-	-
	• Others specify....	-	-	-
5.	Others, please specify	-	-	-
	Total	12,00,000	3,84,000	15,84,000

* Smt. Poonam Sarda is whole time Director as well as CFO of the company. The total remuneration paid during the FY 2015-16 to her is Rs. 12 Lacs.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No instances of Penalties/ Punishment/ Compounding of offence or other officers in default					
Type	Section of the Companies Act	Brief Discription	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Annexure 2 to Board's Report

FORM NO. AOC. 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	-
B	Nature of contracts/arrangements/transactions	-
C	Duration of the contracts/arrangements/transactions	-
D	Salient terms of the contracts or arrangements or transactions including the value, if any	-
E	Justification for entering into such contracts or arrangements or transactions	-
F	Date of approval by the Board	-
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Smt. Ashadevi Sarda, wife of Shri N.K. Sarda.
B	Nature of contracts/arrangements/transactions	Land admeasuring 0.746 acres taken on lease for using as Registered office of the company
C	Duration of the contracts/arrangements/transactions	Permanent Lease
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rent Rs. 12,000/- per annum
E	Date of approval by the Board	20.04.1983
F	Amount paid as advances, if any	-



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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Ispat Industries Limited
B	Nature of contracts/arrangements/transactions	Land admeasuring 4.323 acres taken on lease for using as Registered office of the company
C	Duration of the contracts/arrangements/transactions	3 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Rent Rs. 27,34,440/- per annum
E	Date(s) of approval by the Board, if any	01.04.2013
F	Amount paid as advances, if any	-

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Shardashree Ispat Limited
B	Nature of contracts/arrangements/transactions	Sales of Round bars
C	Duration of the contracts/arrangements/transactions	On going
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Sales of goods to above party on market price on time to time
E	Date(s) of approval by the Board, if any	30-5-2015
F	Amount paid as advances, if any	----

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Auto Industries Limited
B	Nature of contracts/arrangements/transactions	Sales of spring steel flat bars
C	Duration of the contracts/arrangements/transactions	3 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Sales of goods to above party on market price on time to time
E	Date(s) of approval by the Board, if any	30-5-2015
F	Amount paid as advances, if any	----



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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Dharamkanta
B	Nature of contracts/arrangements/transactions	Weighment and Transportation
C	Duration of the contracts/arrangements/transactions	On going
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Availing of Weighment and Transportation Services to above party on market price on time to time
E	Date(s) of approval by the Board, if any	30-5-2015
F	Amount paid as advances, if any	----

Annexure 3 to Board's 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 :

The technology used for the existing project is fully indigenous. The production department of the Company is 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.

The benefits derived like product improvement, cost reduction, product development or import substitution.

- Reduction in cost of the process
- Product improvements
- Improvement in on stream line
- Improvement in reaction efficiency
- Conservation of base material
- Environment protection and effluent quality improvement

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- a. The details of technology imported
- b. The year of import
- c. Whether the technology been fully absorbed
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

No technology imported during last three years



The expenditure incurred on Research and Development.

- a. Capital
- b. Recurring
- c. Total
- d. Total R & D expenditure as a percentage of total turnover

The development work is carried out by the concerned departments on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. The company has not affected any import or export during the year ended 31.03.2016.
2. The inflow of foreign exchange is Nil.
3. The outflow of foreign exchange is Nil.

Form 'A'

(Form for Disclosure of Particulars with respect to Conservation of Energy)

	March 2016	March 2015
D. Power and Fuel Consumption		
1. Electricity:		
a) Purchased : Units (No.)	16,87,020	17,10,920
Total Amount (Rs.)	1,48,05,269	1,21,58,811
Average Rate/ Unit (Rs.)	8.78	7.11
b) Own Generation	Nil	Nil
2. Steam Coal		
Quantity (Tonnes)	5,653	4,747
Total Cost (Rs.)	2,33,72,328	2,01,07,826
Average Rate/ Tonne (Rs.)	4,135	4,236
3. Furnace Oil:		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate/ K. Ltrs (Rs.)	Nil	Nil
4. Other / Internal Generation	Nil	Nil
Products (with details) Unit		
Rolled Iron & Steel (in MT)	16,811	14,177
Electricity (in Units)	100.35	120.69
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B' Grade) (in MT)	0.336	0.335
Excluding Shell & Dust		
Other (Specify)	Nil	Nil

**Annexure 4 to Board's Report**

The information required under Section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are given below:

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2015-16, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2014-15 (Amount in Rs.)	% increase/ (decrease) in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees (times)	Comparison of the remuneration of the KMP against the performance of the Company
1.	Shri.N.K.Sarda Chairman & Managing Director	15,00,000	Nil	9.09	Profit before tax decreased by 19.58% profit after tax decreased by 24.38% in financial year 2015-16.
2.	Smt. Poonam Sarda Whole-time Director & CFO	12,00,000	Nil	7.27	
3.	Shri. Amit B. Mundada Company Secretary & Compliance Officer	3,84,000	Nil	Not applicable	

2. The median remuneration of employees of the Company during the financial year 2015-16 was Rs. 1,65,000/- per annum.
3. In the financial year 2015-16, there was an increase of 16.81% in the median remuneration of employees.
4. There were 39 permanent employees on the rolls of the Company as on 31st March, 2016.
5. Relationship between average increase in remuneration and Company performance: There was no increase in remuneration of the directors and Key managerial Personnel during the financial year 2015-16. Further, increase in median remuneration was 16.81%. The remuneration increase of the employees is in line with the market trend in the industry. In view of the fact the average percentage increase made in the salaries of the employees other than managerial personnel in the last financial year is not comparable with managerial remuneration.



6. Comparison of the remuneration of the key managerial personnel against the performance of the company:
Profit before tax decreased by 19.58% and profit after tax decreased by 24.38% in financial year 2015-16. There was no change in remuneration of KMP.
7. a) Variations in the market capitalization of the Company: The market capitalization as on 31.03.2016 was Rs. 609.22 Lacs (Rs. 1066.12 Lacs as on 31.03.2015).
b) Price Earnings ratio of the Company was 12.37 as at 31.03.2016 and was 13.55 as at 31.03.2015.
c) Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: The Company came out with public offer in 1995. An amount of Rs. 20/- in the said last public offer would be worth Rs. 12/- as on 31.03.2016 indicating a decline of 40%.
8. There was no change in the salaries of the employees other than the managerial personnel in the last financial year 2015-16 and also no change in managerial remuneration during the same financial year.
9. Since there has been no variation in components of the remuneration of the directors and KMP the information i.e. the key parameters for any variable component of remuneration, under this clause is not relevant.
10. The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the financial year 2015-16: Not Applicable.
11. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.



Annexure 5 to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31-03-2016****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members

Sharda Ispat Limited,

Kamptee Road, Nagpur-440 026.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sharda Ispat Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sharda Ispat Limited** ("The Company") for the financial year ended on 31st March, 2016 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015;
- (vi) We have been informed that there are no laws specifically applicable to the Company. There are adequate systems in place in the Company for the compliance of other laws and the Company has generally complied with the applicable laws.

I have also examined compliance with the applicable clauses of the following:



- i) Secretarial Standards issued by the institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Pune Stock Exchange Limited.

During the period under review and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below-

1. The Company has not filed form MGT -14 for borrowings made by the Company with the Registrar of Companies.
2. The company has not submitted Limited Review Report to the Stock Exchanges.
3. Fresh listing agreement entered as per Securities and Exchange Board of India (Listing obligation and disclosure Requirement) Regulation, 2015 have been sent to Stock Exchanges after signing but signatures from Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange is awaited.
4. The company has not submitted the following to the Stock Exchanges:-
 - (a) Statement of investor complaints for quarter ended 31.12.2015 to Calcutta Stock Exchange
 - (b) Corporate government report for quarter ended 30.06.2015 to Bombay Stock Exchange sent by E-mail.
 - (c) (i) Financial results for quarter ended 30.06.2015 to Bombay Stock Exchange sent by E-mail.
(ii) Financial results for quarter ended 31.12.2015, 31.03.2016 and year ended 31.03.2016 to Ahmedabad Stock Exchange
 - (d) Reconciliation of share capital audit for quarter ended 30.06.2015 to Bombay Stock Exchange sent by E-mail.
5. As informed, the website of the company was under reconstruction and thereafter all the disclosures here properly uploaded on the website of the company.
6. Calcutta Stock Exchange and the Status of the Company as can be viewed on the website of Calcutta stock exchange is "Suspended".
7. (i) The below mentioned forms/returns/statements were filed with Registrar of Companies beyond the time limit granted by the applicable statutory provisions.
(ii) Statement of Investor Complaints Under Regulation 13(3) of SEBI (Listing obligations and

Sr No	Form Name	Description of the event/Matter	Date of Event	Section & Description	Due Date for Filing/ Compliance	Date of Filing & SRN NO.	Concerned Authority (ROC/NCL /Court)
1	Form MGT-14	For Filing of Quarterly Result for Quarter Ended 31.12.2014 and for Borrowings from Bank	12.02.2015	Section 179 (3) of the Companies Act 2013 and read with Rule 8 of Companies (Meetings of Board & its Powers) Rule, 2014	13.03.2015	09.09.2015	ROC
2	Form MGT-14	For Approval of Annual Account	30.05.2015	Section 179 (3) of the Companies Act 2013	29.06.2015	26.09.2015	ROC



Disclosure Requirements), Regulation for the quarter ended 31st December, 2015 were filed with Stock exchange (on dated 25.01.2016) beyond the time limit granted by the applicable statutory provisions.

8. Re-appointment of retiring Directors is not in accordance with provisions of the Act.
9. Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the major part of the year.

As informed by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting were taken unanimously.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Chandra Prakash Jha
Company Secretary

Place: Nagpur

Date: 25.08.2016

Membership No. ACS- 25893 C.P. No. 9476

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,
The Members
Sharda Ispat Limited
Kamptee Road, Nagpur-440026

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance of applicable Financial Laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Financial Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chandra Prakash Jha
Company Secretary

Place: Nagpur
Date: 25.08.2016

Membership No. ACS- 25893 C.P. No. 9476



INDEPENDENT AUDITORS' - REPORT

To,
The Members of,
Sharda Ispat Ltd., Nagpur.

Report on the Financial Statements:

1. We have audited the accompanying financial statements of Sharda Ispat Ltd., Nagpur, which comprise the Balance Sheet as at 31st March, 2016, the statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion:**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended of that date.

Report on Other Legal and Regulatory Requirements:

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a Director in terms of Section 164(2) of the Act; and
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 28.1 to the financial statements;
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Nagpur, Dated the,
30th May, 2016

(MANOJ V. LOYA)
Partner (M.No.039676)



"ANNEXURE I" TO INDEPENDENT AUDITORS' REPORT

The Annexure I referred to in Paragraph '9' with the heading "Report on other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of Sharda Ispat Ltd. on the financial statements for the year ended 31st March, 2016

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) These assets have been physically verified by the management during the year and no discrepancies have been noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not have any immovable property except buildings which were received on demerger of the company. The land is held by resultant company to whom the company is paying lease rent of land.
- ii) (a) As explained to us, inventories were 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, no material discrepancies were noticed.
- iii) The Company has not granted any loans, Secured, or Unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clauses (a), (b) and (c) of (iii) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of paragraph 3(iv) of the order is not applicable to the company.
- v) 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 section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under are applicable.
- vi) As prescribed by the Central Government under sub-section(1) of section 148 of the Act for maintenance of cost records and as per information and explanations given by the management, such records are maintained by the company but we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed dues are outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.



- (b) According to the information and explanations given to us and the records of the company examined by us, the dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess as at 31st March, 2016 which have not been deposited on account of dispute and the forum where the disputes are 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	Penalty	2,24,000	Commissioner of Central Excise, Indore
3.	Central Excise Act	Excise Duty & Penalty	17,60,778	CEGAT, Mumbai (Appeals), Nagpur
4.	Central Excise Act	Excise Duty & Penalty	22,64,530	Add. Commissioner of Central Excise, Custom and Service Tax, Nagpur
5.	Central Excise Act	Excise Duty & Penalty	19,63,762	Jt. Commissioner of Central Excise, Custom and Service Tax, Nagpur
6.	Central Excise Act	Excise Duty & Penalty	3,74,578	Dy. Commissioner, Central Excise, Division I, Nagpur
7.	Central Excise Act	Service Tax	1,15,559	Dy. 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.28.1)

- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders during the year. The company did not have any outstanding dues to debenture holders during the year.



- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order is not applicable.
- x) According to information and explanations given to us and to the best of our knowledge and belief, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order is not applicable.

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

Nagpur, Dated the,
30th May, 2016

(MANOJ V. LOYA)
Partner (M.No.039676)



"ANNEXURE II" TO INDEPENDENT AUDITORS' REPORT

The Annexure II referred to in clause (f) of Paragraph '10' of our Independent Auditors' Report to the members of Sharda Ispat Ltd. on the financial statements for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Sharda Ispat Ltd. ("the Company") as at 31st March, 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nagpur, Dated the,
30th May, 2016

(MANOJ V. LOYA)
Partner (M.No.039676)

**BALANCE SHEET AS AT 31ST MARCH 2016**

PARTICULARS	NOTES	31-03-2016	31-03-2015
1) EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
a) Share Capital	'1'	50,768,000	50,768,000
b) Reserve & Surplus	'2'	7,170,690	5,481,409
NON CURRENT LIABILITIES			
a) Long-Term Borrowings	'3'	---	19,587,589
b) Deferred Tax Liabilities (Net)	'4'	3,634,637	3,827,867
c) Long-Term Provisions	'5'	3,068,179	2,776,907
CURRENT LIABILITIES			
a) Short-Term Borrowings	'6'	90,464,630	143,807,968
b) Trade Payables	'7'	18,818,257	65,588,973
c) Other Current Liabilities	'8'	30,665,073	29,305,563
d) Short-Term Provisions	'9'	3,625,669	3,892,035
TOTAL		208,215,135	314,073,493
2) ASSETS			
NON-CURRENT ASSETS			
a) Fixed assets	'10'		
(i) Tangible Assets		23,919,900	34,111,818
(ii) Intangible Assets		10,000	67,478
b) Non-Current Investments	'11'	3,262,600	3,262,600
c) Other Non-Current Assets	'12'	3,813,365	4,808,866
CURRENT ASSETS			
a) Inventories	'13'	103,830,942	166,001,092
b) Trade Receivables	'14'	37,007,939	62,521,755
c) Cash and Cash Equivalents	'15'	7,062,409	10,721,780
d) Short-Term Loans and Advances	'16'	2,766,828	2,304,957
e) Other Current Assets	'17'	26,541,152	30,273,147
TOTAL		208,215,135	314,073,493

Significant Accounting Policies and
Disclosures to The Financial Statements

'27 & 28'

Notes "1 to 17" & "27 and 28" form an integral part of the Balance Sheet.
As per Our report of even date attached.

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

(MANOJ V. LOYA)
Partner
M. No. 039676

Nagpur, Dated the
30th May, 2016

Sharda Ispat Limited

For & on behalf of the Board of Directors
of Sharda Ispat Limited

NANDKISHORE SARDA
Chairman & Managing Director
(DIN 00229911)

POONAM SARDA
Whole-Time Director & CFO
(DIN 00190512)

AMIT B. MUNDADA
(Company Secretary)



**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDING 31ST MARCH 2016**

PARTICULARS	NOTE	31-03-2016	31-03-2015
1) REVENUE			
Revenue From Operations (Gross)	'18'	667,472,826	616,922,416
Less : Excise Duty		73,902,313	68,355,211
Revenue From Operations (Net)		593,570,513	548,567,205
Other Income	'19'	736,801	23,648,938
Total Revenue		594,307,314	572,216,143
2) EXPENSES			
Cost of Materials Consumed	'20'	460,459,088	509,183,748
Changes in Inventories of Finished Goods	'21'	21,587,236	(50,406,812)
Employee Benefit Expenses	'22'	13,471,002	12,276,192
Finance Costs	'23'	14,094,528	15,234,893
Depreciation and Amortization Expenses	'24'	2,285,241	1,886,403
Other Expenses	'25'	76,358,551	73,995,426
Total Expenses		588,255,646	562,169,850
Profit Before Exceptional Item & Tax		6,051,668	10,046,293
Exceptional Item			
Profit on Sale of Land		9,700,406	----
Profit Before Tax		15,752,074	10,046,293
Tax Expenses :			
(1) Current Tax		3,300,000	3,550,000
(2) Income Tax (earlier years)		(6,796)	29,236
(3) Deferred Tax		(193,229)	(1,395,484)
Profit for the year		12,652,099	7,862,541
Earning per equity share :	'26'		
Before Exceptional Item Basic & Diluted		0.97	1.55
After Exceptional Item Basic & Diluted		2.49	1.55

Significant Accounting Policies & Disclosures to the financial statements

Notes "18 to 28" form an integral Part of the Statement of Profit and Loss.

As per our report of even date attached.

'27 to 28'

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

(**MANOJ V. LOYA**)
Partner
M. No. 039676

**Nagpur, Dated the
30th May, 2016**

**For & on behalf of the Board of Directors
of Sharda Ispat Limited**

NANDKISHORE SARDA
Chairman & Managing Director
(DIN 00229911)

POONAM SARDA
Whole-Time Director & CFO
(DIN 00190512)

AMIT B. MUNDADA
(Company Secretary)

**Cash Flow Statement for the year ended 31st March, 2016**

A) CASH FLOW FROM OPERATING ACTIVITIES	31-3-2016 (Rs.)	31-3-2015 (Rs.)
Profit Before Taxation	15,752,074	10,046,293
Adjustments for		
Interest Income	(549,336)	(1,853,608)
Dividend Income	(163,481)	(148,685)
Interest expenses	14,094,528	15,234,893
Depreciation	2,285,241	1,886,403
Profit on Sale of Land (Freehold)	(9,700,406)	-----
Sales Tax Deferred	-----	11,022
	<u>5,966,546</u>	<u>15,130,025</u>
Operating profit before working capital changes	21,718,620	25,176,318
Adjustments for:		
Inventories	62,170,150	(41,912,931)
Trade Receivables	25,513,816	42,377,911
Short Term Loans and Advances	(461,871)	2,977,372
Other current assets	3,881,099	4,316,411
Other non-current assets	995,501	(253,000)
Trade Payables	(46,770,716)	(5,064,053)
Other current liabilities	1,359,510	(14,227,537)
Other long term provisions	291,272	358,216
Other short term provisions	(16,366)	42,695
Other than Direct Tax	<u>46,962,395</u>	<u>(11,384,916)</u>
Cash generated from operations	68,681,015	13,791,402
Direct taxes paid (net of refunds)	(3,894,411)	(3,205,050)
Net Cash generated from operating activities	A	
	<u>64,786,604</u>	<u>10,586,352</u>
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of tangible Fixed Assets	(1,240,796)	(3,851,151)
Sale of tangible fixed assets (Net)	18,905,357	-----
(Investment)/ Redemption of Bank deposits (having original maturity more than 3 months)	(2,303,773)	(27,077)
Sales / (Purchase) of Investments	-----	317,500
Interest Received	751,439	1,760,501
Dividend Received	163,481	148,685
Net Cash from Investing activities	B	
	<u>16,275,708</u>	<u>(1,651,542)</u>

**C) CASH FLOW FROM FINANCING ACTIVITIES**

Repayments of borrowings	(72,930,927)	15,271,813
Interest paid	(14,094,528)	(15,234,893)
Net Cash used in financing activities	C	(87,025,455)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(5,963,143)
Cash and cash equivalents - Opening Balance	9,339,547	367,817
Cash and cash equivalents - Closing Balance	3,376,404	9,339,547
Net increase / (decrease) in cash and cash equivalents	(5,963,143)	8,971,730

NOTES :**1. Cash and cash equivalents include :**

Cash on hand	67,174	25,021
Balance with banks	3,309,230	9,314,526
Total cash and cash equivalents	3,376,404	9,339,547

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

3. Figures in bracket indicate cash outflow.

4. The figures of the previous year have been reclassified to confirm with current year's presentation, wherever applicable.

As per our report of even date attached.

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

(MANOJ V. LOYA)
Partner
M. No. 039676

Nagpur, Dated the
30th May, 2016

For & on behalf of the Board of Directors
of Sharda Ispat Limited

NANDKISHORE SARDA
Chairman & Managing Director
(DIN 00229911)

POONAM SARDA
Whole-Time Director & CFO
(DIN 00190512)

AMIT B. MUNDADA
(Company Secretary)



**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS
AS AT 31ST MARCH 2016**

PARTICULARS	31-03-2016	31-03-2015
NOTE "1"		
SHARE CAPITAL		
Authorized :		
51,00,000 Equity Shares of Rs. 10/- each (Previous Year : 51,00,000 Equity Shares)	51,000,000	51,000,000
Issued :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	50,768,000	50,768,000
Subscribed & Paid Up :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	50,768,000	50,768,000
Rs.	50,768,000	50,768,000

- (a) The company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, in proportion to their shareholding.

- (b) Reconciliation of number of shares

<u>Equity Shares</u>	<u>As at March 31, 2016</u>		<u>As at March 31, 2015</u>	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at beginning of the year	5,076,800	50,768,000	5,076,800	50,768,000
Balance as at the end of the year	5,076,800	50,768,000	5,076,800	50,768,000

- (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

<u>Name of the Shareholders</u>	<u>As at March 31, 2016</u>		<u>As at March 31, 2015</u>	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Kyoto Merchandise Private Limited	400,000	7.88%	400,000	7.88%
Sulakshna Trade Holdings Limited	284,160	5.60%	284,160	5.60%
Anand Nandkishore Sarda	584,000	11.50%	584,000	11.50%
Asha Agriculture & Properties Pvt. Ltd.	526,500	10.37%	526,500	10.37%

- (d) 24,200 Equity shares which was paid upto Rs. 5/- each were forfeited in 31st March, 2011.



PARTICULARS	31-03-2016	31-03-2015
NOTE "2"		
RESERVES & SURPLUS		
(a) Capital Reserve		
Balance as per last Balance Sheet	2,500,000	2,500,000
*Capital Subsidy		
(b) Securities Premium Reserve		
Balance as per last Balance Sheet	27,379,000	27,379,000
(c) Balance in Statement of Profit & Loss		
Balance as at the beginning of the year	(35,360,409)	(31,806,805)
Add : Profit of the year	12,652,099	7,862,541
	(22,708,310)	(23,944,264)
Less : Adjustment due to transitional provision of Schedule II of Companies Act, 2013 (Net of Deferred tax assets of Rs. 5105049)		
Balance as at the end of the year	<u>(22,708,310)</u>	<u>11,416,145</u> <u>(35,360,409)</u>
	Rs.	
	<u>(7,170,690)</u>	<u>(5,481,409)</u>

*Received in 2007 as grant under Package Scheme of Incentives, 1988 in Maharashtra

NOTE "3"		
LONG TERM BORROWINGS		
Unsecured		
* Deferred Payment Liabilities		687,589
Other Loans & Advances from Corporate		
		18,900,000
	Rs.	
		<u>19,587,589</u>

*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 gross deferred liability under Package Scheme of Incentives, 1988 was Rs. 1,24,47,153/-. The deferred liability payable as on 31.03.2016 is of Rs. 6,87,589/- (Previous Year Rs. 21,49,295/-) which is provided for on the basis of its net present value of Rs. 1,24,47,153/- as on 31.03.2016 (Previous Year Rs. 1,24,36,130/-).

NOTE "4"		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liability on account of :-		
Fixed Assets	4,311,486	4,402,872
Allowance under Income Tax Act	446,730	438,380
	<u>4,758,216</u>	<u>4,841,252</u>
Deferred Tax Asset on account of :-		
Other employee benefits	1,123,579	1,013,385
	Rs.	
	<u>3,634,637</u>	<u>3,827,867</u>



PARTICULARS	31-03-2016	31-03-2015
NOTE "5"		
LONG TERM PROVISIONS		
Provision for Employee Benefit		
Gratuity Payable	3,068,179	2,776,907
Rs.	3,068,179	2,776,907
NOTE "6"		
SHORT TERM BORROWINGS		
Secured		
Working Capital Loans From Bank	53,772,569	84,352,562
Unsecured		
Loans from Related Parties	9,450,604	9,450,604
Corporate Loans & Advances	27,241,457	48,204,802
Directors	---	1,800,000
	36,692,061	59,455,406
Rs.	90,464,630	143,807,968
6.1 Working Capital Loan from Bank is secured against hypothecation of Stocks and book debts and Plant and Machineries.		
6.2 All facilities including working capital loan, bills discounting limit backed by Letters of credit and Bank Guarantee limit are further secured by way of Notorized Equitable Mortgage of house property of one director as Collateral security.		
6.3 All facilities are secured by personal guarantees of two directors.		
NOTE "7"		
TRADE PAYABLES		
Acceptance	16,414,247	42,076,035
Other than Acceptance	2,404,010	23,512,938
Rs.	18,818,257	65,588,973
NOTE "8"		
OTHER CURRENT LIABILITIES		
Advances from Customers	15,278,798	5,668,422
Current Maturities of Long Term Debt	---	1,086,779
Other Current Liabilities	15,386,275	22,550,362
Rs.	30,665,073	29,305,563
8.1 Other Current liabilities includes deferred sales Tax liabilities which are payable in next 12 months.	687,589	1,461,706
NOTE "9"		
SHORT TERM PROVISIONS		
Provision For Income-Tax	3,300,000	3,550,000
Leave with Wages	325,669	342,035
Rs.	3,625,669	3,892,035


NOTE "10"
Fixed Assets as at 31st March 2016

ASSETS	Gross Block on Opening Date Rs.	Additions During the Year Rs.	Sales or Adjustments Rs.	Gross Block on Closing Date Rs.	DEPRECIATION				Net Block As on Closing Date Rs.	Previous Year Rs.
					Upto Last Year Rs.	Adjustment Rs.	For the Year Rs.	Total Upto Closing Date Rs.		
(A) TANGIBLE ASSETS										
Land (Free Hold)	9,204,951	—	—	9,204,951	—	—	—	—	—	9,204,951
Buildings	20,070,231	—	—	20,070,231	12,768,697	—	580,084	13,348,781	6,721,450	7,301,534
Plant & Machinery	141,078,009	805,000	—	141,883,009	130,629,386	—	481,724	131,111,110	10,771,899	10,448,623
Factory Equipments	196,146	—	—	196,146	13,273	—	37,246	50,519	145,627	182,873
Office Equipments	1,224,762	142,543	—	1,367,305	361,823	—	227,597	589,420	777,885	862,939
Furniture & Fittings	2,278,298	151,033	—	2,429,331	37,358	—	227,577	264,935	2,164,396	2,240,940
Computers	267,344	127,220	—	394,564	229,560	—	39,743	269,303	125,261	37,784
Servers and Networks	208,122	15,000	—	223,122	5,597	—	33,727	39,324	183,798	202,525
Vehicles	4,859,598	—	—	4,859,598	1,229,949	—	600,065	1,830,014	3,029,584	3,629,649
(B) INTANGIBLE ASSETS										
Software	200,000	—	—	200,000	132,522	—	57,478	190,000	10,000	67,478
Total	179,578,461	1,240,796	9,204,951	171,623,306	145,408,165	—	2,285,241	147,693,406	23,929,900	34,179,296
Previous Year	175,736,310	3,851,151	—	179,587,461	127,000,568	16,521,194	1,886,403	145,408,165	34,179,296	48,735,742

10.1 The Car Audi A6 (MH-49-B-2101) has been registered in the name of Chairman & Managing Director as the loan was obtained in personal capacity due to personal guarantee of the Chairman cum Managing Director. The Company has issued post dated cheques to the Bank for the repayment of the loan made available to the Chairman & Managing Director. After repayment of the loan the car shall be transferred/registered in the name of the company. However finance charges and depreciation alongwith the running expenditure have been recorded in the books of the company as the absolute possession of car is with the company. The gross value of the Car is Rs. 48,59,598/- and the outstanding loan as on 31st March, 2016 is Nil. (Previous year Gross value Rs. 4,859,598/- & Loan Outstanding Rs. 10,86,779/-)

10.2 Adjustments under depreciation includes Rs. Nil (Previous Year Rs. 16,521,194/-) adjusted with retained earnings related to assets where remaining life was Nil as on 01/04/2014 based on transitional provision of Schedule II of the Companies Act, 2013. The deferred tax assets effect is of Rs. Nil (Previous Year Rs.51,05,049/-).

PARTICULARS
31-03-2016
31-03-2015
NOTE "11"
NON CURRENT INVESTMENTS

Other Investments (Unquoted)

Investments in Equity Instruments

65252 Equity Shares of Nagpur Nagrik Sahkari

Bank Ltd. of Rs. 50/- each

(Previous Year 65252 Equity Shares)

3,262,600

3,262,600

Rs.

3,262,600

3,262,600

NOTE "12"
OTHER NON-CURRENT ASSETS

(Unsecured but considered good)

Security Deposits

3,813,365

4,808,866

Rs.

3,813,365

4,808,866

Sharda Ispat Limited



PARTICULARS	31-03-2016	31-03-2015
NOTE "13"		
<u>INVENTORIES</u>		
Raw Material	11,316,083	47,296,803
Finished Goods	90,353,836	111,941,072
Stores & Spares	2,161,023	6,763,217
Rs.	103,830,942	166,001,092
NOTE "14"		
<u>TRADE RECEIVABLES</u>		
(Unsecured but considered good)		
Exceeding Six Months	2,154,903	320,660
Others	34,853,036	62,201,095
Rs.	37,005,939	62,521,755
NOTE "15"		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	67,174	25,021
<u>Balances with Bank</u>		
On Current Accounts	3,309,230	9,314,525
<u>Other Bank Balances</u>		
Deposits (with maturity more than 3 months but upto 12 months)	257,234	1,125,000
On Deposit Account (with maturity of more than 12 months)	3,428,771	257,234
Rs.	7,062,409	10,721,780
15.1 Deposit accounts are under Lien for Bank Guarantee	3,686,005	1,382,234
NOTE "16"		
<u>SHORT TERM LOANS AND ADVANCES</u>		
Other Loans & Advances		
(Unsecured but considered good)		
Advances for Purchases	2,662,628	2,083,757
Other Loans and Advances	104,200	221,200
Rs.	2,766,828	2,304,957
NOTE "17"		
<u>OTHER CURRENT ASSETS</u>		
Balances with Government Authorities	25,138,163	29,305,489
Other Debit Balances	1,402,989	967,658
Rs.	26,541,152	30,273,147



PARTICULARS	31-03-2016	31-03-2015
NOTE "18"		
REVENUE FROM OPERATIONS		
Sales of Manufacturing goods		
Iron & Steels	660,053,922	612,416,445
Sales of Others	38,340	14,000
Sales of Services		
Conversion Charges	7,380,564	4,491,971
Rs.	667,472,826	616,922,416
Details of Product Sold :		
A) Sales of Finished Goods		
Finished Goods (Rolling)	659,522,513	609,116,321
Waste & Scrap	—	3,130,623
Mill Scale	531,410	169,501
Rs.	660,053,922	612,416,445
B) Sales of Others		
Other Miscellaneous	38,340	14,000
Rs.	38,340	14,000
NOTE "19"		
OTHER INCOME		
Interest Received	549,336	1,853,608
Other Receipts	23,984	1,255,941
Excess Provision Written Back	—	272
Dividend Received	163,481	148,685
Discount	—	196,760
Account Written off	—	20,193,672
Rs.	736,801	23,648,938
NOTE "20"		
COST OF MATERIAL CONSUMED		
Opening Stock	47,296,803	54,645,956
Add : Purchases Including expenses	424,478,368	501,834,595
	471,775,171	556,480,551
Less : Closing Stock	11,316,083	47,296,803
Raw Material Consumed	Rs. 460,459,088	509,183,748
20.1 Purchases includes local body tax	2,523,207	2,992,223
NOTE "21"		
CHANGES IN FINISHED GOODS		
Opening Stock of Finished Goods	111,941,072	61,534,260
Less : Closing Stock of Finished goods	90,353,836	111,941,072
Rs.	21,587,236	(50,406,812)



PARTICULARS	31-03-2015	31-03-2014
NOTE "22"		
EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus etc.	12,632,284	11,480,930
Contribution to Provident & Other Funds	728,307	668,907
Staff Welfare Expenses	110,411	126,355
Rs.	13,471,002	12,276,192
NOTE "23"		
FINANCIAL COSTS		
Interest Expense	14,094,528	15,234,893
Rs.	14,094,528	15,234,893
NOTE "24"		
DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation	2,285,241	1,886,403
Rs.	2,285,241	1,886,403
NOTE "25"		
OTHER EXPENSES		
Consumption of Stores & Spare Parts	3,506,144	3,395,046
Power & Fuel	38,177,597	32,266,637
Repairs & Maintenance to Plant & Machinery	382,389	1,368,006
Repairs to Building	413,950	1,416,082
Finished Goods Expenses	152,949	342,269
Rent Paid	2,776,000	2,722,000
Bank Charges & Interest on LC Disc.	6,363,626	10,351,574
Bank Processing Charges	150,000	150,050
FG Outward Transportation Charges	18,171,452	10,235,355
Factory Expenses	280,042	127,998
Excise Duty (Net)	(2,564,392)	5,627,416
Provision for Sales Tax Deferral		11,022
Keyman Insurance	1,000,000	1,000,000
Director Sitting Fees	22,000	7,000
Other Miscellaneous Expenses	7,358,293	4,769,971
Payment to Auditors		
Audit Fees	110,000	110,000
Taxation Matters	58,500	95,000
Rs.	76,358,551	73,995,426
NOTE "26"		
EARNING PER SHARE		
Before Exceptional Items		
Profit after Tax	4,929,509	7,862,541
No. of Equity Shares (weighted)	5,076,800	5,076,800
Earning Per Share	0.97	1.55
Nominal Value of per Equity Share (Rs.)	10	10
After Exceptional Items		
Profit after Tax	12,652,099	7,862,541
No. of Equity Shares (weighted)	5,076,800	5,076,800
Earning Per Share	2.49	1.55
Nominal Value of per Equity Share (Rs.)	10	10

**NOTE -27'****SIGNIFICANT ACCOUNTING POLICIES:**

27.1. These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards), 2006 as amended] and other relevant provisions of the Companies Act, 2013.

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

27.2. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

27.3. Fixed Assets:

- (a) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost of acquisition includes purchase price, freight cost, installation cost and finance cost.
- (b) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and the present value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changing circumstances.

27.4. Depreciation:

- (a) The Company provides depreciation on all its assets on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (b) Depreciation for assets purchased / sold during the year is proportionately charged.

27.5. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets, upto the date the assets are ready for their intended use. All other borrowing costs are recognized in the Statement of profit and



Loss in the year in which they are incurred.

27.6. Inventories:

- a) Inventories are valued at lower of cost or net realisable value.
- b) The Raw Materials and Stores & Spares are valued at cost. The cost includes duties & taxes other than credits availed under Modvat and is arrived at on First-in-First-Out Basis.

27.7. Investments:

Long term investments are carried at Cost.

27.8. Cash & Cash Equivalents (For the Purpose of Cash Flow Statement):

Cash comprises cash in hand, cash at bank, and short term deposits with an original maturity period of three months or less.

27.9. Revenue Recognition:

- a) The Company generally follows mercantile system of accounting. Sales are inclusive of excise duty and net of Sales Tax and discounts.
- b) Liabilities of Sales Tax, Service Tax and Local Body Tax have been taken as per returns including Fresh / Revised returns submitted. The demands, if any, on Completion of assessment/ Vat audit, are accounted for on accrual basis.

c) Other Income:

Interest: Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognized when the right to receive dividend is established.

27.10. Employee Benefits:

- a) The Company's contribution to the provident fund is a defined benefit plan. Both the employee and the Company make monthly contribution. The Company's contribution paid or payable to the fund is recognized as expense in the statement of Profit and Loss.
- b) The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation carried out annually and determined using the Projected Unit Credit Method.
- c) The Company has a scheme for leave encashment for employees. The liability for which is determined on estimation basis as per the rules of the Company.

27.11. Earning per Share:

Basic earnings per share is computed by dividing the profit after tax including the post tax effect of exceptional items, if any, by the weighted average number of equity shares outstanding during the year.

27.12. Taxes on Income:

Tax expense for the period, comprising Current Tax and Deferred Tax are included in the determination of the net profit for the period.

The Current tax is measured and provided at the amount estimated to be paid to the tax authorities in accordance with the prevailing taxation laws. The difference between provisions and payments, if any, are recognised to the extent accepted in the year in which assessment is completed.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in



one or more subsequent periods. Deferred Tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

27.13. Segment Reporting :

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

27.14. Provisions & Contingencies :

The provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the Note No. 28.1

NOTE 28.

OTHER DISCLOSURES TO THE ACCOUNTS :

28.1 Contingent liabilities :

Claims against the company not
acknowledged as debts
(To the extent not provided for)

	2016	2015
a) Labour cases	118,816	233,816
b) Excise Duty matters	9,596,543	9,596,543
c) Sales Tax Matter other than (d)	7,872,475	7,872,475
d) Sales tax matters other than (c)	17,119,366	17,119,366
above with total liabilities for the Company before demerger.		
The allocation shall be made after final computation in the demerged company and resultant companies.		

28.2. Earning Per Share :

Before Exceptional Items

Profit After Tax	4,929,509	7,862,541
No. of Equity Shares	5,076,800	5,076,800
Nominal value per equity share (Rs.)	10	10



Basic & Diluted Earning per share	0.97	1.55
<u>After Exceptional Items</u>		
Profit After Tax	12,652,099	7,862,541
No. of Equity Shares	5,076,800	5,076,800
Nominal value per equity share (Rs.)	10	10
Basic & Diluted Earning per share	2.49	1.55

28.3 EMPLOYEE BENEFIT EXPENSES

i) Defined Benefit Plans

The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one - half month's salary for each year of completed service at the time of retirement/exit.

The following table summarises the position of assets and obligations relating to gratuity.

	Gratuity	
	2016	2015
I <u>Change in benefit obligation</u>		
Liability at the beginning of the year	37,62,927	35,11,153
Interest cost	2,86,921	2,87,214
Current Service cost	3,85,744	5,36,716
Benefit paid	(1,40,509)	(2,64,318)
Actuarial (Gain)/loss on Obligation	(2,40,884)	(3,07,838)
Liability at the end of the year	*40,54,199	*37,62,927
*Includes Liability of Sharda Ispat Industries Ltd. (The resultant company on demerger)	9,86,020	9,86,020
II <u>Fair value of plan assets</u>		
Fair value of plan assets at the beginning of the year	—	—
Excepted return on plan assets	—	—
Contributions	1,40,509	2,64,318
Benefit paid	(1,40,509)	(2,64,318)
Actuarial Gain/(loss) on plan assets	—	—
Fair value of plan assets at the end of the year	—	—
III <u>Actual return on plant assets</u>		
Excepted return on plan assets	—	—
Actuarial (loss) on plan assets	—	—
Actuarial return on plan assets	—	—



IV Amount Recognised in the Balance Sheet		
Liability at the end of the year	40,54,199	37,62,927
Fair value of plan assets at the end of the year	—	—
(Liabilities) recognised in the balance sheet	*(40,54,199)	*(37,62,927)
V Expenses recognised in the statement of profit & loss		
Current service cost	3,85,744	5,36,716
Interest cost	2,86,921	2,87,214
Excepted return on plan assets	—	—
Not actuarial (Gain)/loss to be recognised	(2,40,884)	(3,07,838)
Expense recognised in income statement	4,31,781	5,16,092
VI Balance sheet reconciliation		
Opening liabilities	37,62,927	35,11,153
Expense as above	4,31,781	5,16,092
Employers contribution	(140,509)	(264,318)
Liabilities recognised in balance sheet	*4,054,199	*3,762,927
VII Actuarial assumptions : For the year		
Discount rate	7.46%	7.77%
Employee Attrition Rate	PS : 0 to 42 : 10%	PS : 0 to 42 : 10%
Mortality	IALM	IALM
	(2006-08) Ult.	(2006-08) Ult.

* Estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality assumptions.

ii) Five - year information

Gratuity	2016	2015	2014	2013	2012
Present value of defined benefit obligation	40,54,199	37,62,927	35,11,153	30,41,781	28,81,479
Fair value of plan assets	-	-	-	-	-
(Deficit)/Surplus in plan	(40,54,199)	(37,62,927)	(35,11,153)	(30,41,781)	(28,81,479)
Experience adjustments on Plan Liabilities	-	-	-	-	-
loss/(gain) Plan assets	-	-	-	-	-
loss/(gain)	-	-	-	-	-

28.4 Letters of the confirmation of the Balances have not been received from Sundry Debtors, Sundry Creditors, persons from whom advances have been received, to whom advances have been given and other Accounts which are having debit and credit balances.



- 28.5 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and 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.
- 28.6 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.
- 28.7 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) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Relationship	Name of Related Party
Key Managerial Personnel	Shri N. K. Sarda Smt. Poonam Sarda
Relative of Key Managerial Personnel	Smt. Ashadevi Sarda
Associates	Asha Agriculture & Properties Pvt. Ltd. Jaydeep Dealers Pvt. Ltd. Kyoto Merchandise Pvt. Ltd. Navdeep Agriculture & Properties Pvt. Ltd. M/s. Sharda Dharamkanta Sharda Ispat Industries Ltd. Sharda Shree Ispat Ltd. Sharda Auto Industries Ltd.

b) Transaction during the year with related parties :

Nature of Transactions	Key Managerial Personnel	Relative of Key Management Personnel	Associates	Total
Directors Remuneration	2,700,000 (2,700,000)	- (-)	- (-)	2,700,000 (2,700,000)
Rent	- (-)	12,000 (12,000)	2,734,440 (2,696,640)	2,746,440 (2,708,640)
Sale of Materials / Services	- (-)	- (-)	15,296,457 (-)	15,296,457 (-)
Purchase of Materials / Services	- (-)	- (-)	76,610 (-)	76,610 (-)
Interest Paid	- (-)	- (-)	6,870,526 (4,963,792)	6,870,526 (4,963,792)
Unsecured Loan Received	4,300,000 (28,900,000)	- (-)	120,250,000 (144,050,000)	124,550,000 (172,950,000)
Unsecured Loan Repaid	6,100,000 (27,100,000)	- (-)	143,100,000 (139,100,000)	149,200,000 (166,200,000)

c) Balance Outstanding at the year end

Nature of Transactions	Key Managerial Personnel	Relative of Key Management Personnel	Associates	Total
Unsecured Loan	(-) 1,800,000	- (-)	23,784,531 (41,350,000)	23,784,531 (43,150,000)
Debtors	- (-)	- (-)	462,530 (-)	462,530 (-)

d) Disclosure in Respect of Related Party Transactions during the year :

Particulars	31st March, 2016	31st March, 2015
a) <u>Directors Remuneration</u>		
Shri N.K. Sarda	1,500,000	1,500,000
Smt. Poonam Sarda	1,200,000	1,200,000
b) <u>Rent</u>		
Sharda Ispat Industries Ltd.	2,734,440	2,696,640
Smt. Ashadevi Sarda	12,000	12,000
c) <u>Sale of Material / Services</u>		
Sharda Shree Ispat Ltd.	166,273	--
Sharda Auto Industries Ltd.	15,130,184	--
d) <u>Purchase of Materials / Services</u>		
M/s. Sharda Dharmkanta	76,610	--
e) <u>Interest</u>		
Kyoto Merchandise Pvt. Ltd.	847,677	2,084,247
Sharda Auto Industries Ltd.	5,419,808	97,699
Jaydeep Dealers Pvt. Ltd.	448,044	2,781,846
Navdeep Agriculture & Properties Pvt. Ltd.	19,808	--
Sharda Ispat Industries Ltd.	135,189	--
f) <u>Unsecured Loan Received</u>		
Kyoto Merchandise Pvt. Ltd.	33,100,000	104,350,000
Sharda Auto Industries Ltd.	62,300,000	17,000,000
Jaydeep Dealers Pvt. Ltd.	--	22,700,000
Navdeep Agriculture & Properties Pvt. Ltd.	850,000	--
Sharda Ispat Industries Ltd.	7,500,000	--
Asha Agriculture & Properties Pvt. Ltd.	500,000	--
Shri N.K. Sarda	4,300,000	28,900,000
Sharda Auto Industries Ltd. (Interest free)	16,200,000	--



Particulars	31st March, 2016	31st March, 2015
g) <u>Unsecured Loan Repaid</u>		
Kyoto Merchandise Pvt. Ltd.	39,600,000	115,350,000
Sharda Auto Industries Ltd.	62,300,000	6,650,000
Jaydeep Dealers Pvt. Ltd.	24,500,000	17,100,000
Asha Agriculture & Properties Pvt. Ltd.	500,000	--
Shri N.K. Sarda	6,100,000	27,100,000
Sharda Auto Industries Ltd. (Interest free)	16,200,000	--
h) <u>Balance Outstanding of Unsecured Loan</u>		
Kyoto Merchandise Pvt. Ltd.	--	6,500,000
Sharda Auto Industries Ltd.	15,227,827	10,350,000
Jaydeep Dealers Pvt. Ltd.	67,207	24,500,000
Navdeep Agriculture & Properties Pvt. Ltd.	867,827	--
Sharda Ispat Industries Ltd.	7,621,670	--
Shri N.K. Sarda	--	1,800,000
i) <u>Outstanding Receivables</u>		
Sharda Auto Industries Ltd.	462,530	--

- 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 management of the company and relied upon by the auditors.

SIGNATURE TO NOTES '1' to '28'

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

(MANOJ V. LOYA)
Partner
M. No. 039676

Nagpur, Dated the
30th May, 2016

**For & on behalf of the Board of Directors
of Sharda Ispat Limited**

NANDKISHORE SARDA
Chairman & Managing Director
(DIN 00229911)

POONAM SARDA
Whole-Time Director & CFO
(DIN 00190512)

AMIT B. MUNDADA
(Company Secretary)

**SHARDA ISPAT LIMITED**

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

Email : shardaispat.ngp@gmail.com, Website : www.shardaispat.com**ATTENDANCE SLIP**

I hereby record my presence at the 55th Annual General Meeting held at Corporate Office of the Company, at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur - 440010. Maharashtra on Friday, 30th September, 2016 at 10.00 A.M.

Name of Shareholder _____	DP ID* _____
Registered Address _____	Client ID* _____
_____	Folio No. _____
_____	No. of Shares _____

SIGNATURE OF THE SHAREHOLDER OR PROXY:

NOTE: Please fill in this attendance slip and hand it over at the entrance of the meeting hall.
* For shares held in electronic form



Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No. L74210MH1960PLC011830

Name of the company: SHARDA ISPAT LIMITED

Registered office: Kamptee Road, Nagpur 440 026, Maharashtra

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of Shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him
2. Name:
Address:
E-mail Id:
Signature:, or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual general meeting of the company, to be held on the 30th day of September, 2016 At 10.00 a.m. Corporate Office of the Company, at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur 440010 Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of Financial statement for the Financial year ended March 31, 2016 along with the reports of the Board of Directors & Auditors thereon.
- 2 Re-appointment of Smt. Poonam Sarda (retiring Director) as Director
- 3 Appointment of Auditors and fixing their Remuneration
- 4 Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2017
- 5 Approval of Related Party Transaction under Section 188 of the Companies Act, 2013.

Affix
Revenue
Stamp

Signed this..... day of..... 20...

Signature of Shareholder:

Signature of Proxy holder(s): First Proxy holder Second Proxy holder Third Proxy holder

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**Form No. MGT-12****Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **SHARDA ISPAT LIMITED**

Registered office: Kamptee Road, Nagpur 440 026 Maharashtra

BALLOT PAPER

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial Statement for the financial year ended March 31, 2016 along with the reports of the Board of Directors & Auditors thereon			
2.	Re-appointment of Smt. Poonam Sarda (retiring Director) as Director			
3.	Appointment of Auditors & fixing their Remuneration			
4.	Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2017			
5.	Approval for Related Party Transactions under Section 188 of the Companies Act, 2013.			

Place :

Date :

(Signature of the shareholder)

(Signature of First Proxy)

(Signature of Second Proxy)

(Signature of Third Proxy)

BOOK-POST
(PRINTED MATERIAL)

To,

If undelivered please return to :



Sharda Ispat Limited

Kamptee Road, Nagpur - 440 026
Ph. : (0712) 2640071 / 3 (lines)
Fax : (0712) 2641171