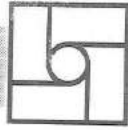


**54<sup>th</sup>**  
**Annual**  
**REPORT**

**2014-2015**



**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

### **INTERNAL AUDITOR**

: M. M. JAIN  
Chartered Accountants,  
Kingsway, Nagpur - 440 001.

### **BANKERS**

: NAGPUR NAGRIK SAHAKARI BANK LTD.

### **REGISTERED OFFICE**

: Kamptee Road, Nagpur - 440026

### **PLANT**

: Kamptee Road, Nagpur - 440026

### **CORPORATE OFFICE**

: Plot No. 230, 7th Floor, 'DA-ROCK' Building,  
Hill Road, Shivaji Nagar, Nagpur-440010

### **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

### **WEBSITE**

: [www.shardaispat.com](http://www.shardaispat.com)

**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 54th Annual General Meeting of the Members of SHARDA ISPAT LIMITED will be held on Wednesday, the 30th day of September, 2015 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 consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the financial Statements for the financial year ended 31.03.2015 of the company and the Reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted."

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

"RESOLVED THAT Smt. Poonam Sarda, the retiring director, be and is hereby re- appointed as Director of the Company, liable for retirement by rotation."

- 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 Section 139 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-fifth AGM of the Company to be held in the year 2016, 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, 2016:

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, 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, 2016."



"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) Authorization to Board for Borrowings:**

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

"RESOLVED THAT in supersession of all the earlier resolutions passed by the Company, in relation to the exercise of borrowing power, and pursuant to the provisions of section 180(1)(c) and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to exercise the powers to borrow money from time to time up to a limit of not exceeding in the aggregate Rs. 250.00 Crores (Rupees Two Hundred Fifty Crores only) notwithstanding that the money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

**6) Alteration of Articles of Association:**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a special Resolution:-

"RESOLVED THAT pursuant to section 14 of the Companies Act, 2013 and other applicable provisions, if any the new Articles of Association of the Company, a copy of which is placed before the meeting, duly initialed by the Chairman, be and are approved and adopted as the Articles of Association of the Company in substitution of the existing articles.

RESOLVED FURTHER THAT Shri. Amit B. Mundada, Company Secretary & Compliance Officer of the Company is hereby authorized to take all steps for giving effect to the resolution."

**Registered Office:**

Kamptee Road,  
Nagpur 440 026

(CIN: L74210MH1960PLC011830)  
website : [www.shardaispat.com](http://www.shardaispat.com)

Date : 02.09.2015

**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 24.09.2015 to 30.09.2015 (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 Sunday, September 27, 2015 (10:00 a.m.(IST). and ends on Tuesday,



September 29, 2015 (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 cut off date, Wednesday, September 23, 2015 (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 27th September, 2015 at 10.00 A.M and ends on 29th September, 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015 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](http://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](http://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"><li>• 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.</li><li>• 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.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio (in dd/mm/yyyy format.) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details not recorded with the depository or company please enter the number id / folio number in the Dividend Bank details field as mentioned in instruction(v)</li></ul>

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



- (x) Members holding shares in physical form will then reach directly 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 Electronic Voting Sequence Number (EVSN) for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual shareholders and Custodians**
- Non-Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to 'www.evotingindia.com' and register themselves as Corporate.
  - 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 users should be created using the admin login and pass word. The compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts linked in the login should be mailed to 'helpdesk.evoting@cdslindia.com' and on approval of the accounts they would be able to cast their vote.
  - 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 right and 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 Sunday, September 27, 2015 at 10:00 a.m. IST and ends on Tuesday, September 29, 2015 at 5:00 p.m. IST. During this period, shareholders of the



Company, holding shares as on Wednesday, September 23, 2015, (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.

Pursuant to clause 35B of the listing agreement, 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. Vilas Nichat, Company Secretary in Practice, C/o. Sharda Ispat Limited, Corporate Office at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur 440010 Maharashtra, so as to reach by 5.00 p.m. on September 29, 2015. 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, 2015.

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 1st of October, 2015.

- 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. Vilas Nichat, 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](http://www.shardaispat.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within 2 (two) days of passing of the resolutions at the 54th AGM of the Company on September 30, 2015 and communicated to the BSE Limited, Ahmadabad Stock Exchange and 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 May 30, 2015 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, 2016 and remuneration of Rs. 25,000/- has been fixed for this purpose. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2015-16 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**

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

Section 180(1) (c) of the Companies Act, 2013 requires the Board of Directors of the Company to obtain consent of the members of the Company in general meeting by way of a special resolution to borrow in excess of the aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purpose).

The Board commends the Special Resolution set out at Item No.5 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.5 of the Notice.

**Item No. 6**

The existing Articles of Association of the Company being not in conformity with Table F of the Companies Act, 2013 it is necessary to alter the same accordingly so as to bring it in line with the provisions of the Companies Act, 2013.

The Board subject to the approval of company in general meeting has proposed to alter the existing Articles of Association by substituting the new set of Articles in place thereof.



Section 14 of the Companies Act, 2013 requires the Company to obtain an approval of the members in general meeting by way of special resolution to alter its Articles of Association.

The Board commends the Special Resolution set out at Item No.6 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.6 of the Notice.

**Registered Office :**

Kamptee Road, Nagpur 440 026

(CIN: L74210MH1960PLC011830)

website: [www.shardaispat.com](http://www.shardaispat.com)

Date: 02.09.2015

Place : Nagpur

**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, 2015.

**FINANCIAL HIGHLIGHTS**

(Amt. in Rs.)

Sr. No.	Particulars	Standalone	
		2014-2015	2013-2014
1	Gross Income	57,22,16,143	74,36,29,849
2.	Profit Before Interest and Depreciation	2,71,67,589	2,29,28,825
3.	Less: Finance Charges	1,52,34,893	1,52,30,041
4.	Gross Profit	1,19,32,696	76,98,784
5.	Less: Provision for Depreciation	18,86,403	74,11,208
6.	Net Profit Before Tax	1,00,46,293	2,87,576
7.	Less: Provision for Tax		
	a) Current Tax	35,50,000	20,50,000
	b) Income Tax (earlier years)	29,236	88,133
	c) Deferred Tax	(13,95,484)	(20,67,535)
8.	Net Profit After Tax	78,62,541	2,16,978
9.	*Balance of Profit/(Loss) brought forward	(19,27,805)	(21,44,783)
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	(54,81,409)	(19,27,805)

**STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

During the financial year 2014-2015 India has witnessed a significant growth in its economy despite slowdown in the global economy. 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. Consequently, the slackened demand for the domestic products amid inflation and higher interest rates resulted into subdued sales of the Company's products.

During the period under review, the Company posted the sales turnover, of Rs. 6169.22 Lacs (Own Unit Rs. 6124.30 Lacs and Conversion / Service Rs. 44.92 Lacs) as against Rs. 8284.83 Lacs (Own Unit Rs. 8242.52 Lacs and Conversion / Service Rs. 42.30 Lacs) during the previous year. The total expenditure including cost of interest and provision for depreciation is Rs. 5621.70 Lacs and net profit before tax Rs. 100.46 Lacs. After adjusting Rs. 21.84 Lacs towards tax expenses the Company



earned net profit after tax of Rs. 78.62 Lacs as against Rs. 2.17 Lacs during the last year. As can be seen, despite the adversities the Company recorded marginal profit for saving in cost of raw materials.

As judged from the financial results of the first quarter of the financial year ending 31.03.2016 the performance of the Company would be satisfactory if the market conditions turns out to be favourable during the balance period of the financial year 2015-2016.

#### **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. 78, 62,541/- 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 2014-15, the Board met 8 (Eight) times on the following dates.

S.No	Date	Board Strength	No. of Directors present
1	30.05.2014	5	5
2	10.07.2014	5	3
3	11.08.2014	5	5
4	14.11.2014	5	5
5	01.12.2014	5	5
6	28.01.2015	5	5
7	12.02.2015	5	5
*8	31.03.2015	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, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) Appropriate accounting policies have been selected and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31.03.2015.
- c) 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 had prepared the annual accounts on a going concern basis; and
- e) Proper internal financial controls had laid down and that internal financial controls are adequate and were 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 54<sup>th</sup> 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.

Further, the Auditors' Report for the financial year ended, 31st March, 2015 is annexed hereto and forms part of the annual report. (Annexure-2)

**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. (Annexure-3)

**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-4.

**RISK MANAGEMENT**

The text on the Risk Management is set out in Report on Corporate Governance and forms the part of this board report.

**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 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:**

During the year under review, the Board of Directors of the Company at their meeting held on 11.08.2014 appointed Smt. Poonam Sarda, the Whole Time Director of the Company as Chief Financial Officer of the Company for the period of 5 (Five) years effective from 01.04.2014 subject to the existing terms and conditions of her appointment as Whole Time Director and liable to retire by rotation. Accordingly, she was designated as Whole Time Director & Chief Financial Officer. The appointment was made on recommendation of the Nomination & Remuneration committee of the Board.

Further, the Board of Directors of the Company at their meeting held on 01.12.2014 appointed Shri. Amit B. Mundada as Company Secretary & Compliance Officer of the Company effective from 01.12.2014. The appointment was made on recommendation of the Nomination & Remuneration committee of the Board.

**INDEPENDENT DIRECTORS:**

During the year under review, the members at the annual general meeting held on 29.09.2014 approved the appointments of Shri. R P Mohanka, Shri. H K Dass and Shri. Ramesh Mantri as independent directors who are not liable to retire by rotation. Pursuant to section 149 (7) of the Companies Act, 2013, all independent directors have given declarations for the financial year 2015-16 that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**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 (Annexure-5) hereto.

**ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. 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**

Report on Corporate Governance along with the Certificate of the Auditors, M/s. Loya Bagri & Co., Chartered Accountants, Nagpur, confirming compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges forms part of the Board Report and annexed hereto by way of **Annexure-6**.

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:**

- i) 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.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- iii) 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 :

1. 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.
2. 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.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. 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;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. 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 and Commission. 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

**SECRETARIAL AUDIT REPORT**

Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 requires every listed company to annex to its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed Megha Bhaiya, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2014-15 and her report is annexed to this Board Report by way of **Annexure-7**.

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

Clause No. (1)(a) & (1) (b): The non filing of e-form MGT-14 for Resolutions passed at Annual General Meeting was occurred inadvertently. Steps are being taken to e-file the Forms.

Clause No. (1)(c): The non filing of e-form DIR 12 took place due to administrative reasons. Nevertheless, the e-Form is being e-filed shortly.

Clause No. (1)(d) & (1) (e) : The charges were not filed with ROC due to communication gap between the Bank and the Company. Necessary steps have been taken to regularize the matter.

Clause No. (2): Earlier, the financial position of the Company was by and large affected due to consistent losses and therefore it was beyond the capacity of the Company to engage Company Secretary. Nevertheless, the Company appointed Company Secretary during the year under review. The minor delay in that behalf has been due to the time taken to find out a right person for the job.

Clause No. (3) & (4): The Company is in process of forwarding the said documents to the Stock Exchanges shortly. The Company will take due care in future in that regard.

Clause No. (5): The website of the company is under construction and once it starts to operate the company will upload all the required documents as per the statutory provisions.

Clause No. (6): The talks of the Company in that behalf with the Calcutta Stock Exchange are on. Once, the irregularities prevailing gets known, the Company will comply with all the requirements including payment of listing fees to remove the status of 'Suspended'.

Clause No. (7): The delay in filing the documents with ROC as well as Stock Exchange was due to administrative reasons. To ensure the timely filing and compliances the Company has appointed in the Company the Qualified Company Secretary as a Company Secretary & Compliance Officer.



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 has planned to increase the number of Directors on the Board of the Company, is possible.

#### **APPOINTMENT OF COST AUDITORS**

The Board at its meeting held on 30.05.2015 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 31.03.2016. Pursuant to the provisions of section 148 of the Companies Act, 2013 and rules made there under, the ratification of the members is necessary for the payment of the remuneration to cost auditors. Your Directors recommend the same.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, 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 formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the Whistle Blower Policy are explained in the corporate governance report.

#### **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.

**CODE OF CONDUCT**

The code of conduct for the members of the board and senior management personnel is given in Point No. 15 of the Report on Corporate Governance forming part of this Board's Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMY:**

In the year 2015 the global economy grew at moderate pace, only marginally faster than the previous year manifesting disparate growth rates in the advanced and emerging economies. Among the advanced economies, while the US economy exhibited modest growth, the European economy continued to be sluggish. Most of the emerging market economies, barring China and India, registered slowdown in their respective growth momentum.

The Indian economy exhibited a healthy growth at 7.3% in 2014-2015, vis-à-vis 6.9% in 2013-2014, aided by among other factors, various initiatives taken by the Government to address the policy issues, which have served to regenerate the investment appetite. Owing to this, various global institutions like international monetary fund (IMF) and the World Bank have both forecasts India to grow at a higher rate of 7.5% in 2015. For 2016, while IMF has forecast India to grow by 7.5%. World Bank expects the economy to grow even faster at 7.9%. It is also for the first time India has been forecast to grow at a faster rate than China.

Besides, cyclical macro parameters like inflation, current account deficit have improved during the year due to domestic as well as external factors. However, domestic steel producers witnessed subdued sales as increased imports from China and Russia resulted in sharp cut to steel prices in India over the past six months.

**INDUSTRY STRUCTURE & DEVELOPMENTS:**

As per the World Steel Association (WSA), global apparent steel use reported a growth of 0.6% only in CY2014, as against a growth of 3.6% in CY2013, while aggregate capacity utilization too dropped to 76.7% in CY2014, from 78.4% in CY2013. Weak demand in China, owing to the real estate sector slowdown, resulted in a de-growth of 3.4% in CY2014 in the country and was one of the major



reasons behind the decline in the growth rate of global steel consumption. Muted demand conditions prompted steel producers in China to turn to export markets in CY2014 and the same resulted in a 50% growth in China's steel exports, which in turn led to a sharp decline in steel prices in the rest of the world, especially during the second half of FY15, from about \$485/MT in October 2014 to \$370/MT in March 2015. With WSA estimating China's steel demand to contract in CY2015 and CY2016 and the IMF also revising downwards the global growth rate forecast to 3.5% in January 2015, from 3.8% in October 2014, global steel demand is unlikely to witness any significant improvement in the coming period.

Despite an improvement in the second half of FY15, domestic steel consumption growth rate remained low at 3.1% in FY15; pricing pressures from cheaper imports intensified in Q4 FY15. Domestic steel consumption growth improved to 3.1% in FY15 from 0.6% in FY14, but remained low at an absolute level. However, the growth rate improved from 0.5% level during Apr-Oct 2014 to 3.1% in the whole of FY15, indicating a sharper improvement in the second half of FY15 on the back of improved automobile sales. Given that the construction and capital goods sectors, which together account for about 70-75% of the total steel demand in India, are yet to witness much on-the-ground recovery, automobile sector is expected to support domestic steel demand in the near term. On supply side, India's steel production growth rate continued to exceed the consumption growth rate in FY15, and stood at 3.3%, with secondary steel producers reporting a higher growth of 3.9% during FY15 compared to 2.9% reported by integrated steel producers.

Whereas steel exports de-grew by 8.1% in FY15, imports surged by 71% due to a sharper fall in international steel prices than domestic prices, leading to a widening gap between price levels. Since India became a net importer of steel in FY15 and there was a large gap between steel production (90.6 mt) and steel consumption levels (76.4 mt), ICRA believes that inventory levels of steel players have risen and the same, coupled with weak international demand, is unlikely to result in any meaningful improvement in domestic steel prices in the near term.

#### **FUTURE OF STEEL INDUSTRY:**

In emerging economies the structural factors of population growth linked to urbanisation and (hopefully) industrialization, suggest a bright future for our product. It is estimated that a bit more than 1 billion people will move to towns and cities between now and 2030. This major flow not only creates substantial new demand for steel to be used in infrastructure developments such as water, energy and mass transit systems as well as major construction and housing programmes, but the process of urbanisation also leads to an increased, and hopefully, more equitable distribution of wealth. This in turn drives demand for steel for additional consumer products such as household appliances, vehicles and additional machine building that supports the industrial processes to manufacture these consumer goods. Moreover, continued transformation of urban areas plays an important role even in the countries having already reached a high level of urbanisation. Cities are in the process towards improvements in city organisation and living standards. Over the last 10 years, many countries have started revising their urban policies to increase living standards in urban areas, to improve energy efficiency and to make cities more environmental friendly. Given the expected population growth, emerging new applications for steel and more sophisticated steel applications, the global steel market has a potential to grow by between 700 and 1000 million tones in the next 50 years. That is equivalent to a market that is 60% larger than that of today. We believe that between now and 2030; global use of steel will increase by as much as 400 million tons annually. A good future prospect indeed!

Many of the conditions as applicable to the global steel industry also apply to India. It is a developing economy with a large population. The forces of economic growth will require continued investments



in new infrastructure, new and larger cities, machinery and production to employ more people and drive the economy forward. India already is the third largest producer of steel, with an expected steel use of 80 million tonnes in 2015 and 86 million tonnes in 2016. It is also expected to be one of the fastest growing areas in steel use this year and next year.

**OPPORTUNITIES AND THREATS:**

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Nagpur offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel. The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in opportunity grabbing may result in loss in revenue generation and rise in costs.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

The Company operates in only one segment i.e. iron & steel. During the financial year 2014-2015 the Company achieved production of steel product as under:

Own Unit	- 12083.94 MT	(Previous Year 16732.45 MT)
Sales (Rs.)	- 6124.30	(Previous Year 8242.52 Lacs)
Conversion Service	- 1159.33 MT	(Previous Year 1380.510 MT)
Sales (Rs.)	- 44.92	(Previous Year 42.30 Lacs)

**RISK & CONCERNS:**

Your Company has identified major areas of risk and concerns and increased focus thereon to ensure achievement of the organisational objectives. The Company has a well defined structure and proactive approach to assess, monitor and mitigate risks associated with these areas, as briefly enumerated below:

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an internal control system which includes internal financial controls, the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of its operations.

The scope and authority of the internal auditors have been defined by the audit committee from time to time. To maintain its objectivity and independence, the internal auditor reports its observations to the audit committee of the board. The internal auditor monitors and evaluate the efficacy and adequacy of internal control system in the company, its compliance with operating system, accounting procedures and policies of the company. Based on the report of the internal auditors,



process owners undertake corrective actions in their respective areas and thereby strengthen the control. Audit observations and corrective actions thereon are presented to the audit committee of the board.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

During the fiscal 2014-15, the Company achieved the sales turnover, of Rs. 6169.22 Lacs (Own Unit 6124.30 Lacs (12083.94 MT) and Conversion / Service 44.92 Lacs) (1159.33 MT) as against Rs. 8284.83 Lacs [Own Unit 8242.52 Lacs (16732.450 MT) and Conversion / Service 42.30 Lacs] (1380.510 MT) during the previous year. After providing Rs. 18.86 Lacs for depreciation and Rs. 152.34 Lacs towards interest and further adjusting Rs. 21.84 Lacs for taxation (net) the Company posted net profit after tax of Rs. 78.62 Lacs as against Rs. 2.17 Lacs during the last year. The decline in operational performance of the Company was due to slackened demand for the domestic products. Nevertheless, the financial performance of the Company registered growth over the previous year as a result of saving in cost of inputs.

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

Your Company recognizes the fact that manpower is one of the vital constituent of a successful organisation. The success of any business lies under the qualified, trained & motivated Human Resources. The company increased its more concentration on the development of Human Resources than any other Resources. The company updated its HR policy in line with the changing system in the industry as a whole and took adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company. During the year ended 31.03.2015 the total number of employees employed by the Company was 44 (Forty Four).

#### **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: 02.09.2015  
Place: Nagpur

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



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](mailto: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	
<b>A. Promoters</b>									
(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
<b>Sub-total</b>									
(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
<b>Sub-total</b>									
(A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter</b>									
(A) = (A)(1)+(A)(2)	2301000	1506600	3807600	75.00	2301000	1506600	3807600	75.00	0.00
<b>B. Public</b>									
<b>Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Sub-total (B)(1):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i. Indian	159340	323260	482600	9.51	159932	323260	483192	9.52	0.01
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	17800	688800	706600	13.92	23208	682800	706008	13.91	0.01





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
<b>Sub-total (B)(2):-</b>	<b>177140</b>	<b>1092060</b>	<b>1269200</b>	<b>25.01</b>	<b>183140</b>	<b>1086060</b>	<b>1269200</b>	<b>25.08</b>	<b>0.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>177140</b>	<b>1092060</b>	<b>1269200</b>	<b>25.01</b>	<b>183140</b>	<b>1086060</b>	<b>1269200</b>	<b>25.08</b>	<b>0.02</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>2478140</b>	<b>2598660</b>	<b>5076800</b>	<b>100.00</b>	<b>2484140</b>	<b>2592660</b>	<b>5076800</b>	<b>100.00</b>	<b>0.03</b>

## 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.	Asha Agriculture and Properties Pvt.Ltd.	526500	10.37	N.A	526500	10.37	N.A	0.00
2.	Kyoto Merchandise Pvt. Ltd.	400000	7.88	N.A	400000	7.88	N.A	0.00
3.	Navdeep Agriculture and properties Pvt.Ltd.	243380	4.79	N.A	243380	4.79	N.A	0.00
4.	Prem Agriculture and Property Pvt.Ltd.	225740	4.45	N.A	225740	4.45	N.A	0.00
5.	Prachi Agriculture and Property Pvt.Ltd.	98100	1.93	N.A	98100	1.93	N.A	0.00
6.	Sarda Agriculture and Properties Pvt.Ltd.	80000	1.58	N.A	80000	1.58	N.A	0.00
7.	Sarda Agriculture and Properties Pvt.Ltd.	73850	1.45	N.A	73850	1.45	N.A	0.00
8.	Abhiculp Agriculture and Property (P) Ltd.	30000	0.59	N.A	30000	0.59	N.A	0.00
9.	Sarda Agriculture and Properties Pvt.Ltd.	27550	0.54	N.A	27550	0.54	N.A	0.00
10.	Nandkishore Sarda	143000	2.82	N.A	143000	2.82	N.A	0.00
11.	Jugalkishore Sarda	90200	1.78	N.A	90200	1.78	N.A	0.00
12.	Ghanshyam Sarda	87400	1.72	N.A	87400	1.72	N.A	0.00
13.	Sharda Dharam Kanta	10000	0.20	N.A	10000	0.20	N.A	0.00
14.	R.R.Sarda and Company	10000	0.20	N.A	10000	0.20	N.A	0.00
15.	Anand Sarda	584000	11.50	N.A	584000	11.50	N.A	0.00



16.	Ashadevi Sarda	166520	3.28	N.A	166520	3.28	N.A	0.00
17.	Poonam Sarda	123060	2.42	N.A	123060	2.42	N.A	0.00
18.	Nandkishore Sarda (HUF)	66300	1.31	N.A	66300	1.31	N.A	0.00
19.	Veenadevi G.Sarda	55000	1.08	N.A	55000	1.08	N.A	0.00
20.	Kamalkishore Sarda	54500	1.07	N.A	54500	1.07	N.A	0.00
21.	Premalata Sarda	52000	1.02	N.A	52000	1.02	N.A	0.00
22.	Nandkishore Sarda (HUF)	50340	0.99	N.A	50340	0.99	N.A	0.00
23.	Umadevi Sarda	48000	0.95	N.A	48000	0.95	N.A	0.00
24.	Kamal Kishore Sarda	44620	0.88	N.A	44620	0.88	N.A	0.00
25.	Neeraj Sarda	43500	0.86	N.A	43500	0.86	N.A	0.00
26.	Shakuntaladevi Sarda	41400	0.82	N.A	41400	0.82	N.A	0.00
27.	Jugal kishore Sarda (HUF)	41380	0.82	N.A	41380	0.82	N.A	0.00
28.	Ramkishore Shrilal Sarda	33460	0.66	N.A	33460	0.66	N.A	0.00
29.	Aditya Ghanshyam Sarda	32200	0.63	N.A	32200	0.63	N.A	0.00
30.	Anant Sarda	31500	0.62	N.A	31500	0.62	N.A	0.00
31.	Raghav Sarda	28200	0.56	N.A	28200	0.56	N.A	0.00
32.	Pankaj Sarda	27100	0.53	N.A	27100	0.53	N.A	0.00
33.	Premalata Jugalkishore Sarda	25000	0.49	N.A	25000	0.49	N.A	0.00
34.	Ramkishore Sarda	25000	0.49	N.A	25000	0.49	N.A	0.00
35.	Anandkumar Nandkishore Sarda (HUF)	24000	0.47	N.A	24000	0.47	N.A	0.00
36.	Shashi K.Rathi	16600	0.33	N.A	16600	0.33	N.A	0.00
37.	Manish Jugalkishore Sarda	15300	0.30	N.A	15300	0.30	N.A	0.00
38.	Aditi G.Sarda	14300	0.28	N.A	14300	0.28	N.A	0.00
39.	Umadevi Kamalkishore Sarda	13500	0.27	N.A	13500	0.27	N.A	0.00
40.	Madhubala Thakudas Laddha	11200	0.22	N.A	11200	0.22	N.A	0.00
41.	Manish Jugalkishore Sarda	10400	0.20	N.A	10400	0.20	N.A	0.00
42.	Prachi Kamalkishore Sarda	10000	0.20	N.A	10000	0.20	N.A	0.00
43.	Sandeep T.Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
44.	Smita T.Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
45.	Neeraj Sarda	9300	0.18	N.A	9300	0.18	N.A	0.00
46.	Premalata Jugalkishore Sarda	7000	0.14	N.A	7000	0.14	N.A	0.00
47.	Pankaj Kamalkishore Sarda	6500	0.13	N.A	6500	0.13	N.A	0.00
48.	Aditi G.Sarda	6000	0.12	N.A	6000	0.12	N.A	0.00
49.	Neeraj Jugalkishore Sarda	5000	0.10	N.A	5000	0.10	N.A	0.00
50.	Umadevi Kamalkishore Sarda	4000	0.08	N.A	4000	0.08	N.A	0.00
51.	Raghav Sarda	4000	0.08	N.A	4000	0.08	N.A	0.00
52.	Ghanshyam Das Sarda (HUF)	4000	0.08	N.A	4000	0.08	N.A	0.00
53.	Sheetal K.Rathi	3000	0.06	N.A	3000	0.06	N.A	0.00
54.	Kunj Behari Sharda	1500	0.03	N.A	1500	0.03	N.A	0.00
55.	Kamini Sarda	1200	0.02	N.A	1200	0.02	N.A	0.00
56.	Kamal Kishore Sarda	1000	0.02	N.A	1000	0.02	N.A	0.00
57.	Premalata Jugalkishore Sarda	500	0.01	N.A	500	0.01	N.A	0.00
58.	Umadevi Kamalkishore Sarda	500	0.01	N.A	500	0.01	N.A	0.00
	<b>Total</b>	<b>3807600</b>	<b>75.00</b>	<b>N.A</b>	<b>3807600</b>	<b>75.00</b>	<b>N.A</b>	<b>0.00</b>



## 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.	Cherry Tie Up Pvt. Ltd.	159140	3.13	N.A	Nil	N.A	159140	3.13
2.	Sulakshana Trade Holdings Ltd.	146160	2.88	N.A	Nil	N.A	146160	2.88
3.	Sulakshana Trade Holdings Ltd.	73000	1.44	N.A	Nil	N.A	73000	1.44
4.	Sulakshana Trade Holdings Ltd.	65000	1.28	N.A	Nil	N.A	65000	1.28
5.	Raj Arya	25000	0.49	N.A	Nil	N.A	25000	0.49
6.	Sukumar Estates Ltd.	21000	0.41	N.A	Nil	N.A	21000	0.41
7.	Gopaldas Nandlal Mundra	20000	0.39	N.A	Nil	N.A	20000	0.39
8.	Shrigopal Pansari	20000	0.39	N.A	Nil	N.A	20000	0.39
9.	Radhadevi Narayandas Mundra	10000	0.20	N.A	Nil	N.A	10000	0.20
10.	K.K.S.(Trustee) Lata Family Trust	7500	0.15	N.A	Nil	N.A	7500	0.15



## 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,72,60,599	8,08,52,123	0	14,81,12,722
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total( i +ii + iii)</b>	<b>6,72,60,599</b>	<b>8,08,52,123</b>	<b>0</b>	<b>14,81,12,722</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,70,91,963	0	0	1,70,91,963
• Reduction	0	(18,09,128)	0	(18,09,128)
<b>Net Change</b>	<b>1,70,91,963</b>	<b>(18,09,128)</b>	<b>0</b>	<b>1,52,82,835</b>
<b>Indebtedness at the end of the financial year</b>				
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
<b>Total( i +ii + iii)</b>	<b>8,43,52,562</b>	<b>7,90,42,995</b>	<b>0</b>	<b>16,33,95,557</b>



## 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/s17(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	2,500	2,500	7,000
	● Commission	-	-	-	-
	● Others, please specify	-	-	-	-
	Total (1)	2,000	2,500	2,500	7,000
2	Other Non-Executive Directors				
	● Fee for attending board committee meeting	-	-	-	-
	● Commission	-	-	-	-
	● Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
3	Total (B)=(1+2)	2,000	2,500	2,500	7,000
	Total Managerial Remuneration	2,000	2,500	2,500	7,000
	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	1,28,000	13,28,000
	(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	1,28,000	13,28,000

\* Smt. Poonam Sarda is whole time Director as well as CFO of the company. The total remuneration paid during the FY 2014-15 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**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, 2015, 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 of 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of the Company's internal control. 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, 2015, 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, 2015 ("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 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:
- 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - The Balance Sheet and the Statement of Profit & Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - 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;
  - On the basis of written representations received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of Section 164(2) of the Act; and
  - 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:
    - 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;
    - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Nagpur, Dated the,  
30th May 2015

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

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





## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

The Annexure 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, 2015

- 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.
- 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, the procedures of the physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.  
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, Secured, or Unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clauses (a) and (b) of (iii) of the order are not applicable.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and Services.
- 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, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth 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, 2015 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, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess as at 31st March, 2015 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)

- (c) According to the information and explanations given to us, there are no amounts that are required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.



- viii) As per Records of the company, the accumulated losses at the end of the financial year are less than 50% of its net worth. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year. The company did not have any outstanding dues to debenture holders during the year.
- x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xi) In our opinion and according to the information and explanations given to us, the company has not received any term loan during the year.
- xii) According to information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the company was noticed or reported during the year.

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

Nagpur, Dated the,  
30th May 2015

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

**BALANCE SHEET AS AT 31ST MARCH 2015**

PARTICULARS	NOTES	31-03-2015	31-03-2014
<b>1) EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
a) Share Capital	'1'	50,768,000	50,768,000
b) Reserve & Surplus	'2'	(5,481,409)	(1,927,805)
<b>NON CURRENT LIABILITIES</b>			
a) Long-Term Borrowings	'3'	19,587,589	35,129,559
b) Deferred Tax Liabilities (Net)	'4'	3,827,867	10,328,400
c) Long-Term Provisions	'5'	2,776,907	2,418,691
<b>CURRENT LIABILITIES</b>			
a) Short-Term Borrowings	'6'	143,807,968	112,983,163
b) Trade Payables	'7'	65,588,973	70,653,026
c) Other Current Liabilities	'8'	29,305,563	43,533,100
d) Short-Term Provisions	'9'	3,892,035	2,349,340
	<b>TOTAL</b>	<b>314,073,493</b>	<b>326,235,474</b>
<b>2) ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Fixed assets	'10'		
(i) Tangible Assets		34,111,818	48,635,844
(ii) Intangible Assets		67,478	99,898
b) Non-Current Investments	'11'	3,262,600	3,580,100
c) Other Non-Current Assets	'12'	4,808,866	4,555,866
<b>CURRENT ASSETS</b>			
a) Inventories	'13'	166,001,092	124,088,161
b) Trade Receivables	'14'	62,521,755	104,899,666
c) Cash and Cash Equivalents	'15'	10,721,780	1,722,966
d) Short-Term Loans and Advances	'16'	2,304,957	5,282,329
e) Other Current Assets	'17'	30,273,147	33,370,644
	<b>TOTAL</b>	<b>314,073,493</b>	<b>326,235,474</b>

Significant Accounting Policies and Disclosures to 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

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

Nagpur, Dated the  
30th May, 2015

*Sharda Ispat Limited*

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

**NANDKISHORE SARDA**  
Chairman & Managing Director  
(DIN No. 00229911)

**POONAM SARDA**  
Whole-Time Director  
(DIN No. 00190512)

**FOR SHARDA ISPAT LIMITED**

**Amit B. Mundeda**  
Company Secretary &  
Compliance Officer

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDING 31ST MARCH 2015**

PARTICULARS	NOTE'S	31-03-2015	31-03-2014
<b>1) REVENUE</b>			
Revenue From Operations (Gross)	'18'	616,922,416	828,482,666
Less : Excise Duty		68,355,211	90,806,768
Revenue From Operations (Net)		548,567,205	737,675,898
Other Income	'19'	23,648,938	5,953,951
	<b>Total Revenue</b>	<b>572,216,143</b>	<b>743,629,849</b>
<b>2) EXPENSES</b>			
Cost of Materials Consumed	'20'	509,183,748	563,958,625
Changes in Inventories of Finished Goods	'21'	(50,406,812)	96,512,070
Employee Benefit Expenses	'22'	12,276,192	11,427,761
Finance Costs	'23'	15,234,893	15,230,041
Depreciation and Amortization Expenses	'24'	1,886,403	7,411,208
Other Expenses	'25'	73,995,426	48,802,568
	<b>Total Expenses</b>	<b>562,169,850</b>	<b>743,342,273</b>
Profit Before Tax		10,046,293	287,576
Tax Expenses :			
(1) Current Tax		3,550,000	2,050,000
(2) Income Tax (earlier years)		29,236	88,133
(3) Deferred Tax		(1,395,484)	(2,067,535)
Profit for the year		7,862,541	216,978
Earning per equity share :	'26'	1.55	0.04
Basic & Diluted			

Significant Accounting Policies & Disclosures to Accounts '27 to 28'  
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.

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

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

Nagpur, Dated the  
30th May, 2015

*Sharda Ispat Limited*

**For SHARDA ISPAT LIMITED**

**Amit B. Mundada**  
Company Secretary &  
Compliance Officer

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

**NANDKISHORE SARDA**  
Chairman & Managing Director  
(DIN No. 00229911)

**POONAM SARDA**  
Whole-Time Director  
(DIN No. 00190512)

**Cash Flow Statement for the year ended 31st March, 2015**

A) <b>CASH FLOW FROM OPERATING ACTIVITIES</b>	31-3-2015 (Rs.)	31-3-2014 (Rs.)
Profit Before Taxation and exceptional items	10,046,293	287,576
<b>Adjustments for</b>		
Interest Income	(1,853,608)	(727,520)
Dividend Income	(148,685)	(112,510)
Interest expenses	15,234,893	15,230,041
Depreciation	1,886,403	7,411,208
Sales Tax Deferred	11,022	152,619
	<u>15,130,025</u>	<u>21,953,838</u>
<b>Operating profit before working capital changes</b>	<b>25,176,318</b>	<b>22,241,414</b>
<b>Adjustments for:</b>		
Inventories	(41,912,931)	66,452,329
Trade Receivables	42,377,911	(33,179,018)
Short Term Loans and Advances	2,977,372	(2,973,592)
Other current assets	4,316,411	1,033,409
Other non-current assets	(253,000)	1,317,000
Trade Payables	(5,064,053)	30,071,217
Other current liabilities	(14,227,537)	(15,149,777)
Other long term provisions	358,216	673,084
Other short term provisions	42,695	63,945
<b>Other than Direct Tax</b>	<u>(11,384,916)</u>	<u>48,308,597</u>
<b>Cash generated from operations</b>	<b>13,791,402</b>	<b>70,550,011</b>
Direct taxes paid (net of refunds)	(3,205,050)	(2,033,850)
<b>Net Cash generated from operating activities</b> A	<u><b>10,586,352</b></u>	<u><b>68,516,161</b></u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of tangible Fixed Assets	(3,851,151)	(23,543)
(Investment) / Redemption of Bank deposits (having original maturity more than 3 months)	(27,077)	2,201,850
Sales / (Purchase) of Investments	317,500	(2,450,000)
Interest Received	1,760,501	1,025,169
Dividend Received	148,685	112,510
<b>Net Cash from Investing activities</b> B	<u><b>(1,651,542)</b></u>	<u><b>865,986</b></u>

**C) CASH FLOW FROM FINANCING ACTIVITIES**

Repayments of borrowings	15,271,813	(58,149,076)
Interest paid	(15,234,893)	(15,230,041)
<b>Net Cash used in financing activities</b>	<b>C</b>	<b>36,920</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>8,971,730</b>
Cash and cash equivalents - Opening Balance	367,817	4,364,787
Cash and cash equivalents - Closing Balance	9,339,547	367,817
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,971,730</b>	<b>(3,996,970)</b>

**NOTES:**

- Cash and cash equivalents include :
 

Cash on hand	25,021	14,466
Balance with banks	9,314,526	353,351
<b>Total cash and cash equivalents</b>	<b>9,339,547</b>	<b>367,817</b>
- 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.
- Figures in bracket indicate cash outflow.
- Previous year comparatives 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

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

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

**NANDKISHORE SARDA**  
Chairman & Managing Director  
(DIN No. 00229911)

Nagpur, Dated the  
30th May, 2015

**POONAM SARDA**  
Whole-Time Director  
(DIN No. 00190512)  
**For SHARDA ISPAT LIMITED**

**Amit B. Mundada**  
Company Secretary &  
Compliance Officer



**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2015**

PARTICULARS	31-03-2015	31-03-2014
<b>NOTE "1"</b>		
<b>SHARE CAPITAL</b>		
Authorized :		
51,00,000 Equity Shares of Rs. 10/- each (Previous Year : 51,00,000 Equity Shares)	51,00,000	51,00,000
Issued :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	50,76,800	50,76,800
Subscribed & Paid Up :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	50,76,800	50,76,800
<b>Rs.</b>	<b>50,768,000</b>	<b>50,768,000</b>

- (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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	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

Name of the Shareholders	As at March 31, 2015		As at March 31, 2014	
	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	31-03-2015	31-03-2014
<b>NOTE "2"</b>		
<b>RESERVES &amp; SURPLUS</b>		
(a) <b>Capital Reserve</b>		
Balance as per last Balance Sheet	2,500,000	2,500,000
*Capital Subsidy		
(b) <b>Securities Premium Reserve</b>		
Balance as per last Balance Sheet	27,379,000	27,379,000
(c) <b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	(31,806,805)	(32,023,783)
Add : Profit of the year	7,862,541	216,978
	(23,944,264)	(31,806,805)
Less : Adjustment due to transitional provision of Schedule II of Companies Act, 2013 (Net of Deferred tax assets of Rs. 5105049)	11,416,145	
<b>Balance as at the end of the year</b>	<b>(35,360,409)</b>	<b>(31,806,805)</b>
	<b>Rs. (5,481,409)</b>	<b>(1,927,805)</b>

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

**NOTE "3"****LONG TERM BORROWINGS****Unsecured**

* Deferred Payment Liabilities	687,589	2,138,273
Other Loans & Advances from Corporate	18,900,000	31,904,507
Unsecured loan against Vehicle	-	1,086,779
<b>Rs.</b>	<b>19,587,589</b>	<b>35,129,559</b>

\*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 31.03.2015 is of Rs. 21,49,295/- (Previous Year Rs. 37,37,768/-) which is provided for on the basis of its net present value of Rs. 1,24,47,153/- as on 31.03.2015 (Previous Year Rs. 1,24,36,130/-).

**NOTE "4"****DEFERRED TAX LIABILITIES (NET)**

Deferred tax Liability on account of :-		
Fixed Assets	4,402,872	10,813,490
Allowance under Income Tax Act	438,380	356,157
	4,841,252	11,169,647
Deferred Tax Asset on account of :-		
Other employee benefits	1,013,385	841,247
<b>Rs.</b>	<b>3,827,867</b>	<b>10,328,400</b>



PARTICULARS	31-03-2015	31-03-2014
<b>NOTE "5"</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefit Gratuity Payable	2,776,907	2,418,691
<b>Rs.</b>	<b>2,776,907</b>	<b>2,418,691</b>
<b>NOTE "6"</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans From Bank	84,352,562	67,260,599
<b>Unsecured</b>		
Loans from Related Parties	9,450,604	9,450,604
Corporate Loans & Advances	48,204,802	36,271,960
Directors	1,800,000	-
	59,455,406	45,722,564
<b>Rs.</b>	<b>143,807,968</b>	<b>112,983,163</b>
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.	
<b>NOTE "7"</b>		
<b>TRADE PAYABLES</b>		
Acceptance	42,076,035	
Other than Acceptance	23,512,938	70,653,026
<b>Rs.</b>	<b>65,588,973</b>	<b>70,653,026</b>
<b>NOTE "8"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advances from Customers	5,668,422	6,007,641
Current Maturities of Long Term Debt	1,086,779	1,511,435
Other Current Liabilities	22,550,362	36,014,024
<b>Rs.</b>	<b>29,305,563</b>	<b>43,533,100</b>
8.1	Other Current liabilities includes deferred sales Tax liabilities which are payable in next 12 months.	
	1,461,706	2,276,010
<b>NOTE "9"</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision For Income-Tax	3,550,000	2,050,000
Leave with Wages	342,035	299,340
<b>Rs.</b>	<b>3,892,035</b>	<b>2,349,340</b>



NOTE "10"

Fixed Assets as at 31st March 2015

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	9,204,951
Buildings	20,070,231	-	-	20,070,231	12,188,613	16,328,393	580,084	12,768,697	7,301,534	7,881,618
Plant & Machinery	140,697,009	381,000	-	141,078,009	113,860,177	16,328,393	440,814	130,629,386	10,448,623	26,836,832
Factory Equipments	-	196,146	-	196,146	-	-	13,273	13,273	182,873	-
Office Equipments	447,272	777,490	-	1,224,762	100,229	124,838	136,756	361,823	862,939	347,043
Furniture & Fittings	-	2,278,298	-	2,278,298	-	-	37,358	37,358	2,240,940	-
Computers	257,249	10,095	-	267,344	121,563	67,963	40,034	229,560	37,784	135,686
Servers and Networks	-	208,122	-	208,122	-	-	5,597	5,597	202,525	-
Vehicles	4,859,598	-	-	4,859,598	629,884	-	600,065	1,229,949	3,629,649	4,229,714
(B) INTANGIBLE ASSETS										
Software	200,000	-	-	200,000	100,102	-	32,420	132,522	67,478	99,898
Total	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
Previous Year	175,712,767	23,543	-	175,736,310	119,589,360	-	7,411,208	127,000,568	48,735,742	56,123,402

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 & 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, 2015 is 10,86,779/- (Previous year Gross value of Rs. 48,59,598/- & Loan Outstanding of Rs. 25,98,214/-).

10.2 Adjustments under depreciation includes Rs. 16,521,194/- (Previous Year Rs. Nil) 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. 51,05,049/- (Previous Year Rs. Nil).

PARTICULARS

31-03-2015

31-03-2014

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 71502 Equity Shares)  
Reliance Money Manager Fund

	3,262,600	3,575,100
	-	5,000
<b>Rs.</b>	<b>3,262,600</b>	<b>3,580,100</b>

NOTE "12"

OTHER NON-CURRENT ASSETS

(Unsecured but considered good)  
Security Deposits

	4,808,866	4,555,866
<b>Rs.</b>	<b>4,808,866</b>	<b>4,555,866</b>



PARTICULARS	31-03-2015	31-03-2014
<b>NOTE "13"</b>		
<b>INVENTORIES</b>		
Raw Material	47,296,803	54,645,956
Finished Goods	111,941,072	61,534,260
Stores & Spares	6,763,217	7,907,945
	<b>Rs.</b>	
	<u>166,001,092</u>	<u>124,088,161</u>
<b>NOTE "14"</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured but considered good)		
Exceeding Six Months	320,660	12,490,343
Others	62,201,095	92,409,323
	<b>Rs.</b>	
	<u>62,521,755</u>	<u>104,899,666</u>
<b>NOTE "15"</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	25,021	14,466
Balances with Bank		
On Current Accounts	9,314,525	353,351
Other Bank Balances		
Deposits (with maturity more than 3 months but upto 12 months)	1,125,000	230,150
On Deposit Account (with maturity of more than 12 months)	257,234	1,125,000
	<b>Rs.</b>	
	<u>10,721,780</u>	<u>1,722,966</u>
<b>NOTE "16"</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
Other Loans & Advances		
(Unsecured but considered good)		
Advances for Purchases	2,083,757	5,202,229
Other Loans and Advances	221,200	80,100
	<b>Rs.</b>	
	<u>2,304,957</u>	<u>5,282,329</u>
<b>NOTE "17"</b>		
<b>OTHER CURRENT ASSETS</b>		
Balances with Government Authorities	29,305,489	30,163,853
Other Debit Balances	967,658	3,206,792
	<b>Rs.</b>	
	<u>30,273,147</u>	<u>33,370,645</u>



PARTICULARS	31-03-2015	31-03-2014
<b>NOTE "18"</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sales of Manufacturing goods</b>		
Iron & Steels	612,416,445	820,777,807
Sales of Others	14,000	3,474,410
Sales of Services		
Conversion Charges	4,491,971	4,230,449
<b>Rs.</b>	<b><u>616,922,416</u></b>	<b><u>828,482,666</u></b>
<b>Details of Product Sold :</b>		
<b>A) Sales of Finished Goods</b>		
Finished Goods (Rolling)	609,116,321	807,439,266
Roughly Shaped Pieces	-	3,378,771
Waste & Scrap	3,130,623	5,535,727
Mill Scale	169,501	4,424,043
<b>Rs.</b>	<b><u>612,416,445</u></b>	<b><u>820,777,807</u></b>
<b>B) Sales of Others</b>		
Other Miscellaneous	14,000	1,346,410
Scrap Rolls	-	2,128,000
<b>Rs.</b>	<b><u>14,000</u></b>	<b><u>3,474,410</u></b>
<b>NOTE "19"</b>		
<b>OTHER INCOME</b>		
Interest Received	1,853,608	727,520
Rent Received	-	4,200
Other Receipts	1,255,941	3,333,026
Excess Provision Written Back	272	-
Dividend Received	148,685	112,510
Discount	196,760	1,441,317
Account Written off	20,193,672	335,378
<b>Rs.</b>	<b><u>23,648,938</u></b>	<b><u>5,953,951</u></b>
<b>NOTE "20"</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock	54,645,956	29,444,727
Add : Purchases Including expenses	501,834,595	589,159,854
	556,480,551	618,604,581
Less : Closing Stock	47,296,803	54,645,956
<b>Raw Material Consumed</b>	<b><u>509,183,748</u></b>	<b><u>563,958,625</u></b>
20.1 Purchases includes local body tax	2,992,223,	3,447,642
<b>NOTE "21"</b>		
<b>CHANGES IN FINISHED GOODS</b>		
Opening Stock of Finished Goods	61,534,260	158,046,330
Less : Closing Stock of Finished goods	111,941,072	61,534,260
<b>Rs.</b>	<b><u>(50,406,812)</u></b>	<b><u>96,512,070</u></b>



PARTICULARS	31-03-2015	31-03-2014
<b>NOTE "22"</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Bonus etc.	11,480,930	10,766,458
Contribution to Provident & Other Funds	668,907	566,939
Staff Welfare Expenses	126,355	94,364
<b>Rs.</b>	<b>12,276,192</b>	<b>11,427,761</b>
<b>NOTE "23"</b>		
<b>FINANCIAL COSTS</b>		
Interest Expense	15,234,893	15,230,041
<b>Rs.</b>	<b>15,234,893</b>	<b>15,230,041</b>
<b>NOTE "24"</b>		
<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation	1,886,403	7,411,208
<b>Rs.</b>	<b>1,886,403</b>	<b>7,411,208</b>
<b>NOTE "25"</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores & Spare Parts	3,395,046	2,124,123
Power & Fuel	32,266,637	25,910,778
Repairs & Maintenance to Plant & Machinery	1,368,006	1,534,048
Repairs to Building	1,416,082	595,255
Finished Goods Expenses	342,269	1,104,787
Rent Paid	2,722,000	2,471,300
Bank Charges & Interest on LC Disc.	10,351,574	5,960,627
Bank Processing Charges	150,050	105,600
FG Outward Transportation Charges	10,235,355	13,548,376
Factory Expenses	127,998	161,319
Excise Duty (Net)	5,627,416	(10,658,860)
Provision for Sales Tax Deferral	11,022	152,619
Keyman Insurance	1,000,000	1,000,000
Director Sitting Fees	7,000	5,500
Other Miscellaneous Expenses	47,69,971	4,662,097
<b>Payment to Auditors</b>		
Audit Fees	110,000	110,000
Taxation Matters	95,000	205,000
<b>Rs.</b>	<b>73,995,426</b>	<b>48,802,568</b>
<b>NOTE "26"</b>		
<b>EARNING PER SHARE</b>		
Profit after Tax	7,862,541	216,978
No. of Equity Shares (weighted)	5,076,800	5,076,800
Earning Per Share	1.55	0.04
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.
- (c) For assets existing on 1st April, 2014 the carrying amount will be amortised over the remaining useful lives on straight line method as prescribed in the Schedule II of the Companies Act, 2013.

**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	<u>Contingent liabilities:</u>	2015	2014
	Claims against the company not acknowledged as debts (To the extent not provided for)		
a)	Labour cases	233,816	233,816
b)	Excise Duty matters	9,596,543	9,596,543
c)	Sales Tax Matter other than (d)	7,872,475	-
d)	Sales tax matters other than (c) above with total liabilities for the Company before demerger. The allocation shall be made after final computation in the demerged company and resultant companies.	17,119,366	17,119,366

**28.2. Earning Per Share:**

Profit After Tax	7,862,541	216,978
No. of Equity Shares	5,076,800	5,076,800
Nominal value per equity share (Rs.)	10	10
Basic & Diluted Earning per share	1.55	0.04

**28.3 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. Shree Surya Mining Co. Pvt. Ltd. Sulakshana Trade Holdings 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)	2,696,640 (2,696,640)	2,708,640 (2,708,640)
Sale of Materials / Services	- (-)	- (-)	- (33,088,066)	- (33,088,066)
Purchase of Materials / Services	- (-)	- (-)	- (220,797)	- (220,797)
Interest Paid	- (-)	- (-)	4,963,792 (4,248,244)	4,963,792 (4,248,244)
Unsecured Loan Received	28,900,000 (10,920,000)	- (-)	144,050,000 (34,000,000)	172,950,000 (44,920,000)
Unsecured Loan Repaid	27,100,000 (11,186,825)	- (-)	139,100,000 (81,153,658)	166,200,000 (92,340,483)

## 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 (-)	- (-)	41,350,000 (40,019,823)	43,150,000 (40,019,823)

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

Particulars	31st March, 2015	31st March, 2014
a) Directors Remuneration		
Shri N.K. Sarda	1,500,000	1,500,000
Smt. Poonam Sarda	1,200,000	1,200,000
b) Rent		
Sharda Ispat Industries Ltd.	2,696,640	2,696,640
Smt. Ashadevi Sarda	12,000	12,000
c) Sale of Material / Services		
M/s. Sharda Dharamkanta	-	4,200
Sharda Shree Ispat Ltd.	-	1,715,131
Sharda Ispat Industries Ltd.	-	24,958,395
Sulakshana Trade Holdings Ltd.	-	6,410,340
d) Purchase of Materials / Services		
M/s. Sharda Dharmkanta	-	185,699
Sharda Shree Ispat Ltd.	-	35,098
e) Interest		
Kyoto Merchandise Pvt. Ltd.	2,084,247	1,247,754
Sulakshana Trade Holdings Ltd.	97,699	226,218
Jaydeep Dealers Pvt. Ltd.	2,781,846	2,774,272
f) Unsecured Loan Received		
Kyoto Merchandise Pvt. Ltd.	104,350,000	9,200,000



Particulars	31st March, 2015	31st March, 2014
Sulakshana Trade Holdings Ltd.	17,000,000	9,850,000
Jaydeep Dealers Pvt. Ltd.	22,700,000	-
Asha Agriculture & Properties Pvt. Ltd.	-	550,000
Navdeep Agriculture & Properties Pvt. Ltd.	-	10,400,000
Shri. N. K. Sarda	28,900,000	10,920,000
Sharda Ispat Industries Ltd.	-	1,700,000
Shree Surya Mining Co. Pvt. Ltd.	-	2,300,000
<b>g) Unsecured Loan Repaid</b>		
Kyoto merchandise Pvt. Ltd.	115,350,000	9,315,972
Sulakshana Trade Holdings Ltd.	6,650,000	17,910,741
Jaydeep Dealers Pvt. Ltd.	17,100,000	38,859,082
Asha Agriculture & Properties Pvt. Ltd.	-	550,000
Navdeep Agriculture & Properties Pvt. Ltd.	-	10,517,863
Shri N.K. Sarda	27,100,000	11,186,825
Sharda Ispat Industries Ltd.	-	1,700,000
Shree Surya Mining Co. Pvt. Ltd.	-	2,300,000
<b>h) Balance Outstanding of Unsecured Loan</b>		
Kyoto Merchandise Pvt. Ltd.	6,500,000	18,622,978
Sulakshana Trade Holdings Ltd.	10,350,000	-
Jaydeep Dealers Pvt. Ltd.	24,500,000	21,396,845
Shri N.K. Sarda	1,800,000	-

- 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.
- 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.

**SIGNATURE TO NOTES '1' to '28'**

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

(GOPAL DAS BAGRI)  
Partner  
M. No. 002933

Nagpur, Dated the  
30th May, 2015

Sharda Ispat Limited

For & on behalf of the Board  
For Sharda Ispat Limited

For SHARDA ISPAT LIMITED (NANDKISHORE SARDA)  
Chairman & Managing Director  
(DIN No. 00229911)

Amit B. Mundada  
Company Secretary &  
Compliance Officer

(POONAM SARDA)  
Whole-Time Director  
(DIN No. 00190512)

**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. 26,96,640/- per annum
E	Date of approval by the Board	01.04.2013
F	Amount paid as advances, if any	-

## Annexure 4 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 31.03.2015.
2. The inflow of foreign exchange is Nil.
3. The outflow of foreign exchange is Nil.

**Annexure 5 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 2014-15, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15, 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	10.62	Profit before tax decreased by 28.15% profit after tax decreased by 35.97% in financial year 2014-15.
2.	Smt. Poonam Sarda Whole-time Director & CFO	12,00,000	Nil	8.50	
3.	Shri. Amit B. Mundada Company Secretary & Compliance Officer	1,28,000	Appointed on 1st December, 2014	Not applicable	



2. The median remuneration of employees of the Company during the financial year 2014-15 was Rs. 1,41,250/- per annum.
3. In the financial year 2014-15, there was an increase of 3.48% in the median remuneration of employees.
4. There were 44 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2015.
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 2014-15. Further, increase in median remuneration was 3.48%. 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 28.15% and profit after tax decreased by 35.97% in financial year 2014-15. There was no change in remuneration of KMP.
7. a) Variations in the market capitalization of the Company: The market capitalization as on 31.03.2015 was Rs. 1066.12 Lacs (Rs. 507.68 Lacs as on 31.03.2014).  
b) Price earnings ratio of the Company was 13.55 as at 31.03.2015 and was 250 as at 31.03.2014.  
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. 21/- as on 31.03.2015 indicating a compounded annual growth rate of 0.24 %.
8. Average percentage increase made in the salaries of the employees other than the managerial personnel in the last financial year 2014-15 was 8.72% and there was 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 2014-15: Not Applicable.
11. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.



**REPORT ON CORPORATE GOVERNANCE****CORPORATE GOVERNANCE PHILOSOPHY**

The Company conducts its business under the Think-tank leadership of its Board of Directors. The Board of Directors is at the core of Company's corporate governance Practice. The Company believes in adopting the best practices that are followed in the area of Corporate Governance. It is about promoting fairness, equity, transparency, accountability and respect for laws. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

**1. BOARD OF DIRECTORS****a) Composition**

The Board consists of 5 (Five) Directors as on 31<sup>st</sup> March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement. The day-to-day management of the company was carried on by the 2 (Two) Executive Directors of the company.

Sr. No.	Name of Director	Category	Designation
1.	Shri N. K. Sarda	Executive Director	Chairman & Managing Director
2.	Smt Poonam Sarda	Executive Director	Whole Time Director & CFO
3.	Shri H. K. Dass	Non-Executive Director	Independent Director
4.	Shri R. P. Mohanka	Non-Executive Director	Independent Director
5.	Shri Ramesh Mantri	Non-Executive Director	Independent Director

All independent directors possess the requisite qualifications and are well experienced in their own fields. The Directors of the Company, except Smt.Poonam Sarda, Whole Time Director & CFO, are not liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2015 is given below:

Name of Director	Category	Number of Directorships in other Companies		Number of Committee Memberships in other Companies	
		Chairman	Member	Chairman	Member
1. Shri N.K. Sarda	Executive Director	Nil	4	Nil	Nil
2. Smt Poonam Sarda	Executive Director	Nil	2	Nil	Nil
3. Shri H.K. Dass	Non-Executive & Independent Director	Nil	2	Nil	Nil
4. Shri R.P. Mohanka	Non-Executive & Independent Director	Nil	3	Nil	Nil
5. Shri Ramesh Mantri	Non-Executive & Independent Director	Nil	Nil	Nil	Nil

**Notes:**

- a. Other directorships exclude foreign companies, private limited companies and alternate directorships.
- b. Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.
- c. **Board Meetings and Attendance at Board Meetings**

The Board met 8 (Eight) times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S.No	Date	Board Strength	No. of Directors present
1	30.05.2014	5	5
2	10.07.2014	5	3
3	11.08.2014	5	5
4	14.11.2014	5	5
5	01.12.2014	5	5
6	28.01.2015	5	5
7	12.02.2015	5	5
*8	31.03.2015	5	3

(Only Non-Executive & Independent Directors)

(Note: - \* This meeting is only for Non-Executive & Independent Directors)

The company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The chairman and the managing director appraise the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the company secretary, chairman and managing director and the chief financial officer regarding compliances of all laws on a quarterly basis.

**d) Disclosure of relationship between directors inter-se:**

Smt. Poonam Sarda is Daughter-in-Law of Shri. N.K.Sarda.

Shri. N.K.Sarda is Father-in-Law of Smt. Poonam Sarda

**e) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)**

Sr. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Shri N. K. Sarda	8	7	Present
2.	Smt Poonam Sarda	8	7	Present
3.	Shri H. K. Dass	8	7	Present
4.	Shri R. P. Mohanka	8	8	Present
5.	Shri Ramesh Mantri	8	7	Present

**2. AUDIT COMMITTEE**

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and cost auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The audit committee comprised of the following directors for the year ended 31st March 2015:

1. Shri. R.P.Mohanka - Chairman
2. Shri. Ramesh Mantri - Member
3. Shri. H.K.Dass - Member

As on 31st March 2015 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. The composition of the audit committee is as per clause 49 of the listing agreement. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 29<sup>th</sup> September 2014. The audit committee met 4 (four) times during the year on 30-05-2014, 11-08-2014, 14-11-2014 & 12-02-2015. The details are as follows:

**Attendance of each Director at Audit Committee Meetings**

Name of Director	Number of audit committee meetings attended
Shri. R.P.Mohanka - Chairman	4
Shri. Ramesh Mantri - Member	4
Shri. H.K.Dass - Member	4



### 3. NOMINATION AND REMUNERATION COMMITTEE

In view of complying the provisions of the Section 178 (1) of the Companies Act, 2013 and Clause 49 (IV) of a listing agreement a listed Company is required to have a 'Nomination & Remuneration Committee' consisting three or more non-executive directors with not less than half to be independent directors. The Company already has its Remuneration Committee and the same has been renamed to 'Nomination & Remuneration Committee' effective from 01.04.2014, vide board resolution passed by the Board at their meeting held on 30.05.2014. The change in the name of the Committee was taken on record by the Committee at its meeting held on 12.06.2014. On 20.05.2014 the Committee at its meeting recommended for the appointment of Smt. Poonam Sarda as Chief Financial Officer of the Company for the period of 5 (five) years effective from 01.04.2014.

Also the Committee at its meeting held on 20.11.2014 recommended for the appointment of Shri. Amit B. Mundada as Company Secretary & Compliance Officer of the Company.

- 1) Brief description of terms of reference is for :
- The Nomination and Remuneration Committee shall 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 the qualifications, positive attributes and independence of a director.
  - To recommend the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
  - To ensure that the remuneration being paid to executive Directors are in conformity with the legal provisions.
- (2) Composition of committee and attendance of members

Sl. No.	Name of Director & Position	20.05.2014	12.06.2014	20.11.2014
1.	Shri. R.P.Mohanka, Chairman	Present	Present	Present
2.	Shri. Ramesh Mantri, Member	Present	Present	Present
3.	Shri. H.K.Dass, Member	Present	Present	Present

This Committee recommends the appointment / re-appointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Nomination and Remuneration Committee comprises of non-executive and independent directors. Shri. R.P. Mohanka is the chairman of the committee. Shri. Ramesh Mantri and Shri. H.K.Dass are the other members. The Company Secretary is the Secretary to the Committee. During the financial year 2014-2015 the committee met on 20.05.2014, 12.06.2014 and 20.11.2014.

**Criteria for Performance evaluation:****[DISCLOSE THE CRITERIA FOR PERFORMANCE EVALUATION AS LAID DOWN BY NOMINATION & REMUNERATION COMMITTEE]****(III) REMUNERATION POLICY:**

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

**4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

In view of complying with the provisions of the Section 178 (5) of the Companies Act, 2013 the Board of Directors of a Company at their meeting held on 30.05.2014 renamed the existing Share Transfer and Shareholders / Investors Grievances Committee of the Board to 'Stakeholder Relationship committee' effective from 01.04.2014. The said change in the name was taken on record by the committee at its meeting held on 12.06.2014.

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 investors 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 1 (One) time during the year 2014-2015 on 12.06.2014.

**Complaints received and redressed during the year 2014-2015**

S.No.	Nature of Complaints	Number of Complaints
1.	Regarding annual report	Nil
2.	Revalidation of dividend warrant	Nil
3.	Issue of duplicate share certificate	Nil
4.	Issue of duplicate dividend warrant	Nil
5.	Procedure for transmission	Nil
6.	General queries	Nil
7.	Non receipt of dividend	Nil
8.	Correction in share certificate	Nil
9.	Change of address	Nil
10.	Unclaimed dividend	Nil
11.	Correction in dividend cheque	Nil
	<b>TOTAL</b>	<b>Nil</b>



SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri. Amit B. Mundada, Company Secretary is the Compliance Officer of the company. For any clarification / complaint the shareholders may contact Shri. Amit B. Mundada, Company Secretary at the registered office of the company

#### 5. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 31-03-2015 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### 6. REMUNERATION PAID TO DIRECTORS

Of the total 5 (Five) directors, 2 (two) are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

##### a) Details of Remuneration paid to all the Directors during the financial year 2014-2015

PARTICULARS	Shri N.K. Sarda	Smt. Poonam Sarda	Shri H.K. Dass	Shri R.P. Mohanka	Shri. Ramesh Mantri
Basic Salary	Rs. 1.25 Lac (Per Month)	Rs. 1.00 Lac (Per Month)	Nil	Nil	Nil
Bonus/Benefits	Nil	Nil	Nil	Nil	Nil
House Rent Allowance	Nil	Nil	Nil	Nil	Nil
Others Allowances	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil
Other Perquisites/ performance linked incentive	Nil	Nil	Nil	Nil	Nil
Contribution to Provident Fund /Pension	Nil	Nil	Nil	Nil	Nil
Contribution to Superannuation Fund	Nil	Nil	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil	Nil	Nil
Service Contracts/ Notice period/ severance fees	Nil	Nil	Nil	Nil	Nil

**b. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-2015**

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs)	Remuneration Committee Meeting (Rs)	Stakeholders' Relationship Committee Meeting (Rs)	Total
Shri. H.K. Dass	2,000	500	Nil	Nil	2,500
Shri. R.P. Mohanka	1,500	500	Nil	Nil	2,000
Shri. Ramesh Mantri	2,000	500	Nil	Nil	2,500

There was no pecuniary relationship or transactions of the non-executive director's vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2015.

**c) Details of shareholding of Directors as on 31<sup>st</sup> March 2015**

As on 31<sup>st</sup> March 2015, the company had two executive directors and three non-executive and Independent directors. Of the two executive directors, Shri. N.K.Sarda holds 1,43,000 equity shares in the company and Smt. Poonam Sarda holds 1,23,060 equity shares in the company. None of the non-executive director holds any shares in the company.

**7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

The details of the Annual General Meetings / Extraordinary General Meetings held in the last three years are as follows:

Annual General Meetings of the Company:

Venue	Financial Year	Date & Time
Registered Office of the Company at Kamptee Road, Nagpur - 440 026	2011-2012	31 <sup>st</sup> August, 2012 at 10.00 A.M.
	2012-2013	30 <sup>th</sup> September, 2013 at 10.00 A.M.
	2013-2014	29 <sup>th</sup> September, 2014 at 10.00 A.M.

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

AGM/EGM	Subject
In the 53 <sup>rd</sup> AGM held on 29 <sup>th</sup> September, 2014	Authorization to Board for Borrowings.
In the 53 <sup>rd</sup> AGM held on 29 <sup>th</sup> September, 2014	Alteration of Articles of Association.

**8. SUBSIDIARY COMPANIES**

The Company does not have any Subsidiary Company.

**9. RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.



- Identify, assess and manage existing and new risks in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

#### 10. WHISTLE BLOWER POLICY

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id silngp@rediffmail.com. The key directions/actions will be informed to the Managing Director of the Company.

#### 11. DISCLOSURES

##### RELATED PARTY TRANSACTIONS:

The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

##### 12. ACCOUNTING TREATMENT:

The accounting treatment given is in accordance with the prescribed accounting standards.

##### 13. COMPLIANCES:

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

##### 14. MEANS OF COMMUNICATION

- a. The unaudited quarterly results of the company are published in leading newspapers such as The Indian Express and Loksatta. These are not sent individually to the shareholders.
- b. The company's website address is: [www.shardaispat.com](http://www.shardaispat.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id [silngp@rediffmail.com](mailto:silngp@rediffmail.com) to enable the shareholders to register their grievances.
- c. Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are mailed and also filed in physical copy within the time frame prescribed in this regard.
- d. No presentations have been made to institutional investors or to analysts.

##### 15. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives and that honesty and personal integrity will not be compromised under any circumstances. As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-2015.



**A. Code of Conduct for Members of Board:**

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

**B. Code of Conduct for Senior Management Personnel:**

- 1) They should ensure proper maintenance of books, records, files etc. and suitable system procedures and practice for the purpose.
- 2) The officers shall not involve themselves in fraudulent dealing in securities.
- 3) They should discharge their departmental duties and responsibilities with due observation of the relevant statutory provision.
- 4) They should avoid the government officials from making undue/improper benefits through the company.
- 5) The officers shall not indulge themselves in any anti-competitive conduct.
- 6) The officers should respect each other and create a congenial atmosphere.
- 7) The officers should extend their full co-operation during investigations of alleged violation of law, if any.
- 8) The officers shall not misuse the name of company.
- 9) The officers shall ensure from time to time that their working is within frame work of the code of conduct so laid down for them.

**16. GENERAL SHAREHOLDER INFORMATION****a) Annual General Meeting**

Date and time :	30th September, 2015 at 10.00 A.M.
Venue :	"Da-Rock", Ram Nagar, Hill Road, Nagpur - 440 010.
Book Closure Date :	24.9.2015 to 30.9.2015 (both days inclusive)
Financial Year :	1st April, 2014 to 31st March 2015

**b) Financial Calendar 2015-2016 (tentative)**

The tentative dates for Board Meetings to consider and take on record the quarterly financial results are as follows:

Particulars of Quarter	Tentative dates
First Quarter Result ending 30.06.2015	On or before Second week of August, 2015
Second Quarter & Half Yearly Results ending 30.09.2015	On or before Second week of November, 2015
Third Quarter & Nine months Results ending 31.12.2015	On or before Second week of February, 2016
Fourth Quarter and Annual Results ending 31.03.2016	On or before Second week of May, 2016

**c) Particulars of Dividend for the year ended 31.03.2015**

Date of declaration	Nil
Rate of dividend	Nil
Book Closure Date	Nil
Date of payment of dividend	Nil
Amount of dividend paid	Nil
Share Capital	Nil

**d) Listing of Shares**

Name of the Stock Exchange	: Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	: 513548
Ahmedabad Stock Exchange	: 52710
Pune Stock Exchange	: 13548
Kolkata Stock Exchange	: 029292
ISIN allotted by Depositories (Company ID Number)	: INE 385M01012

The Company's shares are listed on The Bombay Stock Exchange Ltd, The Calcutta Stock Exchange, Ahmedabad Stock Exchange and Pune Stock Exchange. However, the Pune Stock Exchange has reported its Voluntary De-Recognition, vide letter no. PSE/44/2015/3763 dated April 15, 2015. The Listing fees for the year 2014-2015 have been paid to Bombay Stock Exchange, Ahmedabad Stock Exchange and Pune Stock Exchange.

**e) Stock Market Data**

Month	The Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	Month's High Price Rs.	Month's Low Price Rs.	Total Volume of Shares Transacted	Month's High Price Rs.	Month's Low Price Rs.	Total Volume of Shares Transacted
Apr-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
May-14	Rs. 16.95/-	Rs. 16.15/-	401	N.A.	N.A.	N.A.
Jun-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Jul-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Aug-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Sep-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Oct-14	Rs. 19.10/-	Rs. 17.55/-	168	N.A.	N.A.	N.A.
Nov-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Dec-14	Nil	Nil	Nil	N.A.	N.A.	N.A.
Jan-15	Nil	Nil	Nil	N.A.	N.A.	N.A.
Feb-15	Rs. 20/-	Rs. 20/-	10	N.A.	N.A.	N.A.
Mar-15	Rs. 21/-	Rs. 20/-	601	N.A.	N.A.	N.A.

(N.A Not Applicable)



## f) Shareholding Pattern as on 31st March 2015

Particulars	Number of Share Holders	Shares held in Physical form	Shares held in dematerialised form	Total Number of shares held	% of Capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	9	709500	995620	1705120	33.59
b. Directors & their relatives	47	777100	1305380	2082480	41.02
c. Partnership Firm	2	20000	Nil	20000	0.39
<b>Public Shareholding</b>					
<b>I. Institutions</b>					
a. Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil
b. Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil
c. Insurance Companies	Nil	Nil	Nil	Nil	Nil
d. Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil
<b>II. Non Institutions</b>					
a. Bodies Corporate	25	323260	159932	483192	9.52
b. Individuals	2780	747800	23208	771008	15.19
c. Non Resident Indians	Nil	Nil	Nil	Nil	Nil
d. Trusts	2	15000	Nil	15000	0.3
<b>Total</b>	<b>2865</b>	<b>2592660</b>	<b>2484140</b>	<b>5076800</b>	<b>100</b>

## g) Distribution of Shareholding as on 31st March 2015

Number of Equity Shares held	Number of Share Holders	Number of Shares	% of Capital
Up to 500	2598	442308	8.71
501-1000	131	114260	2.25
1001-2000	44	70000	1.38
2001-3000	12	32700	0.64
3001-4000	18	65400	1.29
4001-5000	2	10000	0.20
5001-10000	13	108900	2.15
10001 and Above	47	4233232	83.39
<b>Total</b>	<b>2865</b>	<b>5076800</b>	<b>100</b>

## h) Registrar and Share Transfer Agents

Adroit Corporate Services Private Limited, having its registered office at 19/20, Jaferbhoy Industrial Estate, Makwana Road Marol Naka, Marol, Andheri, (E), Mumbai 400059 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment. A Practicing Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.



i) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

The Company has not declared any dividend.

Financial Year	Unpaid/Unclaimed dividend as on 31.03.2015 (in Rs.)	Date of declaration	Date of transfer to IEPF
2007-08	Nil	N.A.	N.A.
2008-09	Nil	N.A.	N.A.
2009-10	Nil	N.A.	N.A.
2010-11	Nil	N.A.	N.A.
2011-12	Nil	N.A.	N.A.
2012-13	Nil	N.A.	N.A.

(N.A. Not Applicable)

- Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

j) Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form that have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

k) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 2484140 equity shares representing 48.93% of the paid up equity capital have been dematerialized as on 31st March 2015.

**l) Information to Shareholders**

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

**m) Plant Locations :** Kamptee Road, Nagpur 440026 (Maharashtra)  
Email: silngp@rediffmail.com

**n) Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares	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
For any other general matters or in case of any difficulties / grievance	Amit B. Mundada Company Secretary and Compliance Officer  Tel : 0712-2245156 E-mail : silngp@rediffmail.com

**17. NON-MANDATORY DISCLOSURES :**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

**(i) The Board**

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

**(ii) Nomination and Remuneration Committee:**

The company already has its 'Remuneration Committee'. In terms of the provisions of section 178(1) of the Companies Act, 2013 the Board of Directors of the Company at their meeting held on 30.05.2015 renamed the Committee to 'Nomination & Remuneration Committee' with effect from 01.04.2014. The Committee is constituted with Shri. R.P. Mohanka, as Chairman and Shri. Ramesh Mantri and Shri. H.K. Dass as members. All the three members are independent and Non-Executive directors.

**(iii) Audit Qualifications**

The statutory financial statements of the company are unqualified.

**(iv) Separate posts of Chairman and CFO**

The Company has appointed Chairman and CFO for the Company.

**(v) Reporting of Internal Auditor**

The Internal Auditor of the company directly reports to the Audit Committee.

**DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members,  
SHARDA ISPAT LIMITED  
NAGPUR.

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place: Nagpur  
Date: 30-05-2015

**NANDKISHORE SARDA**  
Chairman & Managing Director  
(DIN No. 00229911)

**CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR (CMD) and CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, Shri. N.K.Sarda, Chairman and Managing Director and Smt.Poonam Sarda, Whole Time Director & Chief Financial Officer of Sharda Ispat Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place : Nagpur  
Date : 30.05.2015

**NANDKISHORE SARDA**  
Chairman & Managing Director  
(DIN No. 00229911)

**POONAM SARDA**  
Whole-Time Director  
(DIN No. 00190512)

**AUDITOR'S CERTIFICATE OF CORPORATE GOVERNANCE**

To  
The Members,  
Sharda Ispat Limited,  
Nagpur.

- 1) We have examined the compliance of conditions of Corporate Governance by SHARDA ISPAT LIMITED for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause-49 of the above mentioned Listing Agreement.
- 4) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR LOYA BAGRI & CO.**  
(Firm Registration No.105658W)  
Practicing Chartered Accountants

**(GOPAL DAS BAGRI)**  
Partner  
(Membership No. 002933)

Nagpur, Dated the  
30th May, 2015



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31-03-2015

**[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,

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 31<sup>st</sup> March, 2015 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;
- (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 with respect to board and general meetings issued by The Institute of Company Secretaries of India were not in force for the period covered under this report.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, Calcutta Stock Exchange Limited, Ahmadabad Stock Exchange Limited and Pune Stock Exchange.





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 the following e-forms required under the provisions of Companies Act 2013 with the Registrar of Companies
  - a. MGT -14 for Resolutions passed at the previous Annual General Meeting for alteration of Articles of Association and under section 180(1)(c) of the Companies Act, 2013 to authorize the Board for Borrowings.
  - b. MGT-14 for various borrowings made by the Company.
  - c. Form DIR 12 for cessation of Shri Nandkishore Sarda as CEO of the Company.
  - d. Form CHG-1 for availing Letter of Credit facility of Rs. 500 Lacs vide sanction letter dated 10<sup>th</sup> June, 14 from Nagpur Nagrik Sahakari Bank.
  - e. Form CHG 1 for renewal of Cash Credit, Bank Guarantee and Letter of Credit Facility vide Board Resolution dated 12<sup>th</sup> February, 2015 from Nagpur Nagrik Sahakari Bank.
2. The Company has appointed Company Secretary for the first time since incorporation in compliance of the applicable provisions of Companies Act, 2013 and listing agreement w.e.f. 1<sup>st</sup> December, 2014.
3. The Company has not submitted Limited Review Reports to the Stock Exchanges.
4. The Company has not submitted copies of Annual Report, proceedings of AGM including resolutions passed thereat and results of voting to the Stock Exchanges.
5. As informed, the website of the Company is under reconstruction and hence the updation of various required documents as per the statutory provisions are not done by the Company.
6. The Company has not paid listing fee to Calcutta Stock Exchange and the Status of the Company as can be viewed on the website of Calcutta Stock Exchange is 'Suspended'.
7. In many cases the forms/returns/statements were filed with Registrar of Companies and Stock Exchanges beyond the time limit granted by the applicable statutory provisions.
8. Reappointment of retiring Directors is not in accordance with provisions of the Act.

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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.

Place: Nagpur  
Date: 02/09/2015

(Megha Bhaiya)  
Company Secretary  
ACS No. 20134, CP No. 11328

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

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.

Place: Nagpur  
Date: 02/09/2015

(Megha Bhaiya)  
Company Secretary  
ACS No. 20134, CP No. 11328

**SHARDA ISPAT LIMITED**

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

Email : [silngp@rediffmail.com](mailto:silngp@rediffmail.com), Website : [www.shardaispat.com](http://www.shardaispat.com)**ATTENDANCE SLIP**

I hereby record my presence at the 54<sup>th</sup> Annual General Meeting held at Corporate Office of the Company, at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur - 44010. Maharashtra on Wednesday, 30<sup>th</sup> September, 2015 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 54th Annual general meeting of the company, to be held on the 30th day of September, 2015 At 10.00 a.m. Corporate Office of the Company, at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivajji 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, 2015 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, 2016
5. Authorization to Board for Borrowings
6. Alteration of Articles of Association

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, 2015 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, 2016			
5.	Authorization to Board for Borrowings			
6.	Alteration of Articles of Association			

Place :

Date :

(Signature of the shareholder)

(Signature of First Proxy)

(Signature of Second Proxy)

(Signature of Third Proxy)

BOOK-POST  
(PRINTED MATERIAL)

To,

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If undelivered please return to :



**Sharda Ispat Limited**

Kampltee Road, Nagpur - 440 026

Ph. : (0712) 2640071 / 3 (lines)

Fax : (0712) 2641171

**SHARDA ISPAT LIMITED**  
KAMPTEE ROAD, NAGPUR - 440 026



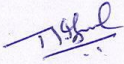
PHONE : (0712)2640071 / 4 LINES  
MOBILE : 9923009041  
FAX : (0712) 2641171


CIN:-L74210MH1960PLC011830

**FORM A**

S No.		
1	Name of the Company	SHARDA ISPAT LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	There is no observation in the Independent Auditors' Report.
4	Frequency of observation	Not Applicable

**For SHARDA ISPAT LIMITED**

  
N K Sarda  
CEO/Managing Director

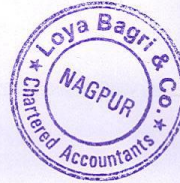
  
Poonam Sarda  
CFO/Accounts Officer

  
R P Mohanka  
Audit Committee Chairman

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



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



Nagpur, Dated the 02<sup>nd</sup> day of September, 2015

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

Encl : Copy of Annual Report for the financial year ended 31.03.2015