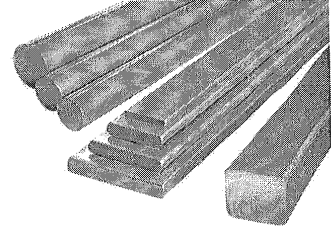


## Sharda Ispat Ltd.

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



October 03, 2017.

To,  
**Manager (CRD)**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400001

**Scrip Code: 513548**

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

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing copy of Annual Report which is approved and adopted in the 56<sup>th</sup> Annual General Meeting of the Company which was held on 25<sup>th</sup> September, 2017.

You are requested to kindly take the above information on record and oblige us.

Thanking you,

Yours Sincerely,  
**For Sharda Ispat Limited**

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



Encl:- As above

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

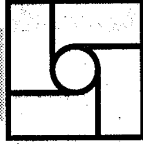
**2016-2017**



**SHARDA ISPAT LIMITED**  
**NAGPUR**

**INDEX**

<b>Sr.No.</b>	<b>Contents of the Annual Report</b>	<b>Page No.</b>
1.	Notice of the Annual General Meeting	5-14
2.	Board's Report	15-25
3.	Extract of Annual Return	26-33
4.	Independent Auditors Report & Balance Sheet	34-60
5.	Form No. AOC-2 (Related Party Transaction)	61-63
6.	Conservation of Energy Technology Absorption & Foreign Exchange Earnings and outgo	63-65
7.	Particulars of Employees	65-66
8.	Secretarial Audit Report	67-69
9.	Attendance Slip	70
10.	Form No. MGT-11 (Proxy Form)	71
11.	Form No. MGT-12 (Polling Paper)	72



## **SHARDA ISPAT LIMITED, Nagpur**

### **BOARD OF DIRECTORS**

- SHRI. NANDKISHORE 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

### **Company Secretary & Compliance Officer**

: SHRI. AMIT B. MUNDADA

### **Secretarial Auditors**

: SHRI. SUNIL KUMAR SHARMA  
Practicing Company Secretary,  
2nd Floor, 1380, C.A. Road, Dayma Niwas  
Gandhibagh, Nagpur - 440002.

### **Statutory Auditor**

: LOYA BAGRI & CO.  
Chartered Accountants,  
Gandhibagh, Nagpur - 440002

### **Internal Auditor**

: M/s. R.S. JAIN & ASSOCIATES  
Chartered Accountants,  
Sadar, Nagpur - 440 001.

### **Bankers**

: NAGPUR NAGRIK SAHAKARI BANK LTD.

### **Registered Office**

: Kamptee Road, Nagpur - 440026  
Phone No. 0712-2640071  
E-mail : shardaispat.ngp@gmail.com

### **Corporate Office**

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

### **Plant**

: Kamptee Road, Nagpur - 440026

### **Address For**

: **M/s. Adroit Corporate Services Pvt. Ltd.**

### **Correspondence to Share Department**

19/20, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Marol, Andheri (E), Mumbai - 400059

### **Website**

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



**COMMITTEES:****1. Audit Committee**

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

**2. Nomination and Remuneration Committee**

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

**3. Stakeholders Relationship Committee**

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

**SHARDA ISPAT LIMITED**

(CIN: L74210MH1960PLC011830)

Regd. Office : Kamptee Road, Nagpur 440 026 Ph.: 0712- 2640071, 72  
e-mail: shardaispat.ngp@gmail.com, website : www.shardaispat.com**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 56th Annual General Meeting of the Members of Sharda Ispat Limited will be held on Monday, the 25th day of September, 2017 at 10.00 a.m. (I.S.T), at Plot no.230, Da-rock, 7th Floor, Hill Road, Shivaji Nagar, Nagpur-440010, to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Poonam Sarda (DIN.00190512), who retires by rotation and being eligible, offers herself by retirement.
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, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation made by the audit committee of the board, M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur (Firm Registration Number 004733C), be and are hereby appointed as Auditors of the Company in place of the retiring auditor M/s Loya Bagri & Co. Firm Registration Number 105658W), to hold the office for the period of five years i.e. from the conclusion of this Meeting until the conclusion of Sixty-oneth Annual General Meeting to be held in 2022 (subject to ratification of their appointment at every Annual General Meeting), and the board be and is hereby authorized to fix such remuneration as may be determine by the audit committee in consultation with the auditors, in addition to reimbursement of all out -of-pocket expenses as may be incurred in connection with the audit of the accounts of the company.”

**SPECIAL BUSINESS****4. To APPROVE THE REMUNERATION OF THE COST AUDITORS:**

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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 25,000/- to M/s. Narendra Peshne and Associates, Cost Accountants, Nagpur (Firm Registration No. 100269), appointed by the Board of Directors of the Company, for auditing the cost records maintained by the Company for the financial year ending 31st March, 2018.”

**5. RE-APPOINTMENT OF CHAIRMAN & MANAGING DIRECTOR**

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 196,197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act,2013 (“the Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central government from time to time and subject to such other approvals, as may be necessary, consent of the members be and is hereby accorded to the appointment of Shri. Nandkishore Sarda (DIN:00229911) as the Chairman and Managing Director of the Company for the further period of 5 (five) years effective from 01.04.2017 on the remuneration and the terms and conditions, as set out in the explanatory statement annexed to the notice of the meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the aforesaid terms and conditions of his re-appointment including the remuneration payable to him from time to time in the light of and conformity with the relevant provisions of the Companies Act,2013 including amendment(s), modification(s), enactment(s) and re-enactments thereof.”

#### **6. RE-APPOINTMENT OF WHOLE-TIME DIRECTOR:**

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 196,197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act,2013 (“the Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central government from time to time and subject to such other approvals, as may be necessary, consent of the members be and is hereby accorded to the appointment of Smt. Poonam Sarda (DIN:00190512) as the Whole-time Director of the Company for the further period of 5 (five) years effective from 01.04.2017 on the remuneration and the terms and conditions, as set out in the explanatory statement annexed to the notice of the meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the aforesaid terms and conditions of her re-appointment including the remuneration payable to her from time to time in the light of and conformity with the relevant provisions of the Companies Act, 2013 including amendment(s), modification(s), enactment(s) and re-enactments thereof.”

#### **7. APPROVAL OF RELATED PARTY TRANSACTION UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

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

**“RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 and Rules framed thereunder, consent of the Company be and is hereby accorded to the Board of Directors to enter into transaction of sale of goods for the period of 3 (Three) years with effect from 01st October, 2017 with Sharda Auto Industries Limited, a Related Party, for an annual value not exceeding Rs. 50.00 Crores. (Rs. 50 Crores) to be discharged in a manner and on such terms and conditions as may be mutually agreed upon by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised



to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution."

#### **8. AUTHORISATION FOR INVESTMENTS :**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

**"RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which shall be deemed to include any person authorized by the Board or any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) to invest/ acquire the securities of any body corporate by way of subscription/ purchase or otherwise, investments in mutual funds, securities, debentures, bonds, bank deposits, commercial papers, treasury bills or in any other way as may be deemed fit by director (s) up to a sum of Rs. 5.00 crores (Rupees five crores only) notwithstanding that the aggregate of the investments so far made or to be made may exceed the limits/ or will exceed the limits laid down by the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions.

**RESOLVED FURTHER THAT** Shri. Nandkishore Sarda, Chairman and Managing Director of the company be and is hereby authorized to file the requisite forms, etc. with the office of the Registrar of Companies, Mumbai, Maharashtra and to do all allied acts, things as may be necessary in this regards."

#### **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/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**

The instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of 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 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting 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 authorizing 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



- 19.09.2017 to 25.09.2017 (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 Friday, September 22, 2017 (09:00 a.m. IST) and ends on Sunday, September 24, 2017 (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 20, 2017 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - 10) Non Resident Indian Members are requested to inform R & T Agent, immediately of :
    - a) Change in there residential status on return to India for permanent.
    - b) Notify immediately any change in there address.
    - c) Write to the Company's R & T Agent enclosing there share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).

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

1. The voting period begins on September 22, 2017 (09.00 AM IST) and ends on September 24, 2017 (05.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 20, 2017 of (Record Date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).



4. Click on Shareholders.
5. 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.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (4).</li></ul>

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. 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.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. 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.



16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
20. **Note for Non Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**21. In case of Members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.
- (B) The voting period begins on Friday, September 22, 2017 at 09:00 a.m. IST and ends on Sunday, September 24, 2017 at 5:00 p.m. IST. During this period, shareholders' of the Company, holding shares as on Wednesday, September 20, 2017, (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](http://www.evotingindia.co.in)' under help section or write an email to '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)'.

Members may alternatively cast their votes using the Ballot Form which is sent along with the Notice and is also available on the website of the Company. Members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, at M/s. Sunil Kumar Sharma Associates (Practicing Company Secretaries) 2nd Floor, 1380, C.A. Road, Dayma Niwa Gandhibagh, Nagpur-440002, Maharashtra, so as to reach by 5.00 p.m. on September 2



2017. 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 20, 2017.

The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results will be declared on 26<sup>th</sup> of September, 2017.

22. 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.
23. M/s. Sunil Kumar Sharma & Associates (Practicing Company Secretaries) has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot, in a fair and transparent manner.
24. 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 56th AGM of the Company on September 25, 2017 and communicated to the BSE Limited and Calcutta Stock Exchange, where the shares of the Company are listed.
25. The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
26. 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.
27. 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 - 400059



**ANNEXURE TO THE NOTICE****Explanatory Statement as required by Section 102 of the Companies Act, 2013**

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out the material facts relating to Special Business mentioned under Item no's 4,5,6,7&8 in the accompanying Notice dated 14th August, 2017.

**Item No.4**

The Board of Directors at their meeting held on 30th May, 2017, based on the recommendation of the Audit Committee, have appointed M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur, as Cost Auditor of the Company for auditing the cost records maintained by the Company for the financial year ending 31st March, 2018, at remuneration of Rs.25,000/- (Rupees Twenty Five Thousand only).

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. The Board recommends the resolution set out at Item no.4 of the Notice for the approval of the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

**Item No.5**

The five years tenure of appointment of Shri. Nandkishore Sarda as Chairman & Managing Director of the Company expired on 31.03.2017.

Appreciating his unstinted deliberations and the abundant experience and further considering the recommendations of the Nomination and Remuneration committee of the Board, the Board of the Company, at its meeting held on 20.03.2017 re-appointed him as Chairman & Managing Director of the Company on the remuneration and the terms and conditions stated below:

**1. Tenure:**

For 5 (five) years commencing from 01.04.2017 till 31.03.2022.

**2. Salary:**

Minimum remuneration @ Rs. 3,00,000/- per month plus the following 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.

**3. Duties & Responsibilities:**

- (1). To supervise overall functioning of the Company.
- (2). Implement the Board's Policies and decisions.
- (3). Develop and present the strategic and annual business plans to the Board for approval.
- (4). Manage, motivate, develop and lead members of the management team.
- (5). To report regularly to Board and to perform all other duties and discharge all such responsibilities as the Board may delegate from time to time.
- (6). To handle day to day affairs of the Company.
- (7). To appoint and terminate services of the employees.
- (8). To operate bank accounts of the Company.
- (9). To sign cheques, Bills, promissory notes, etc.



Due to inadequacy of the profits of the Company he is being paid a minimum remuneration as aforesaid and the same is in conformity with the limits and fulfillment of the prescribed conditions provided under Schedule V to the Companies Act, 2013.

Section 196 read with Schedule V of the Companies Act, 2013 requires the Company to obtain an approval of the Shareholders in general meeting to re-appoint and pay remuneration to the Managing Director.

This may be treated as an abstract of the terms of re-appointment between Shri. Nandkishore Sarda and the Company pursuant to the provisions of Section 190 of the Companies Act, 2013.

Smt. Poonam Sarda being relative of Shri. Nandkishore Sarda is deemed to be interested in the resolution. Accordingly, none of the Directors of the Company except Shri. Nandkishore Sarda and Smt. Poonam Sarda, are concerned or interested in any way in the said resolution.

#### **Item No.6**

In view of increased scope of the business of the Company Shri. Nandkishore Sarda, Chairman and Managing Director of the Company needs to be assisted through sharing his duties and responsibilities on full time basis for the effective management of the Company.

The Board thought that Smt. Poonam Sarda, Director of the Company having vast working experience during her tenure as Whole-time Director and at the executive level would be fit and proper person for the said job. Accordingly with due consideration of the recommendations of the nomination and remuneration committee the Board at its meeting held on 20.03.2017 appointed her as Whole-Time Director of the Company on the remuneration and the terms and conditions given below:

#### **1. Tenure:**

For 5 (five) years commencing from 01.04.2017 till 31.03.2022.

#### **2. Salary:**

Minimum remuneration @ Rs. 2,50,000/- per month plus the following 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.

#### **3. Duties & Responsibilities:**

- (1). To supervise overall functioning of the Company.
- (2). To handle day to day affairs of the Company.
- (3). To appoint and terminate services of the employees.
- (4). To operate bank accounts of the Company.
- (5). To sign cheques, bills, promissory notes, etc.
- (6). To report regularly to Board and to perform all other duties and discharge all such responsibilities as the Board may delegate from time to time.

Due to inadequacy of the profits of the Company she is being paid a minimum remuneration as aforesaid and the same is in conformity with the limits and fulfillment of the prescribed conditions provided under Schedule V to the Companies Act, 2013.

Section 196 read with Schedule V of the Companies Act, 2013 requires the Company to obtain an approval of the Shareholders in general meeting to re-appoint and pay remuneration to the Whole-time Director.



This may be treated as an abstract of the terms of re-appointment between Smt. Poonam Sarda and the Company pursuant to the provisions of Section 190 of the Companies Act, 2013.

Shri. Nandkishore Sarda being relative of Smt. Poonam Sarda is deemed to be interested in the resolution. Accordingly, none of the Directors of the Company except Smt. Poonam Sarda and Shri. Nandkishore Sarda, are concerned or interested in any way in the said resolution.

#### Item No.7

Section 188 of the Companies Act, 2013 read along with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules 2014 prescribe certain procedure for approval of material related party transactions by members. The proviso to Section 188 also states that nothing in Section 188 (1) will apply to any transaction entered into by the Company in its ordinary course of business and at arm's length basis.

The proposed transaction put up for approval are in ordinary course of business and at arm's length. The following contracts/ arrangements/ transactions are material in nature and require the approval of the unrelated shareholders of the Company by ordinary resolution:

1. Name of the Related Party : Sharda Auto Industries Limited.
2. Relationship : Two directors are common in both the Companies.
3. Maximum Value of transactions per annum w.e.f.: Rs. 50.00 crores from 01.10.2017
4. Nature of Transactions: Sale of Spring Steel Flat Bars.

The above transactions were approved by the Audit Committee at its meeting held on 14.08.2017 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

All entities /persons that are directly/indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material related party transactions is sought from the shareholders. Accordingly, all related parties of the Company will not vote on this resolution.

None of the other Directors or any Key Managerial Personnel of the Company other than those identified is interested in the said resolution.

The Board recommends the ordinary resolution set out at item no.7 for approval by the shareholders.

#### Item No.8

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate as and when required.

Pursuant to the provisions of Section 186 (3) of the Companies Act, 2013 and the rules made there under, the Company needs to obtain prior approval of Shareholders/ members by way of special resolution passed at the General Meeting in case the amount of investment to be made is more than the higher of sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of Annual General Meeting for an amount not exceeding Rs.5,00,00,000/- only (Rupees five crore only) which is in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution.

The board, recommend the Special Resolution set out at item no.8 for approval of the shareholders.

**BOARD'S REPORT**

Dear Members,

The Board of Directors are pleased to present the Company's 56<sup>th</sup> Annual Report and the Standalone Audited financial statement for the financial year ended 31<sup>st</sup> March, 2017.

**1. FINANCIAL RESULTS: (STANDALONE)**

The Company financial performance for the year ended 31<sup>st</sup> March, 2017 is summarized below.  
(Amt. in Rs.)

Sr. No.	Particulars	2016-2017	2015-2016
1	Gross Income	56,15,87,521	59,43,07,314
2.	Profit Before Interest and Depreciation	4,59,21,726	2,24,31,437
3.	Less: Finance Charges	1,18,98,457	1,40,94,528
4.	Gross Profit	3,40,23,269	83,36,909
5.	Less: Provision for Depreciation	23,99,539	22,85,241
6.	Profit Before Exceptional Item & Tax	3,16,23,730	60,51,668
7.	Profit on Sale of Land	---	97,00,406
8.	Net Profit Before Tax	3,16,23,730	1,57,52,074
9.	Less: Provision for Tax		
	a) Current Tax	1,08,00,000	33,00,000
	b) Income Tax (earlier years)	6,34,303	(6,796)
	c) Deferred Tax	(4,76,744)	(1,93,229)
10.	Net Profit After Tax	2,06,66,171	1,26,52,099
11.	*Balance of Profit/(Loss) Brought Forward	71,70,690	(54,81,409)
12.	Surplus Carried to Balance Sheet	2,78,36,861	71,70,690

**2. STATE OF COMPANY'S AFFAIRS :**

Discussion on the state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

**3. DIVIDEND :**

No dividend was declared for the financial year 2016-17 due to conservation of profits by the Company.

**4. AMOUNTS TRANSFERRED TO RESERVES:**

Your Directors decided to transfer the amount of Rs. 2,06,66,171/- to the general reserves.

**5. INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANY:**

The Company does not have any Subsidiary, Joint Venture or Associate Company.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION:**

There are no material changes or commitments occurred during the Financial year 01/04/2016 to 31/03/2017, which may affect the financial position of the Company or may require disclosure.

**8. EXTRACT OF ANNUAL RETURN:**

An extract of the Annual Return of the Company, pursuant to the Section 92(3) of the Companies Act, 2013, in Form MGT-9 is annexed hereto as Annexure-1.

**9. MEETINGS OF THE BOARD OF DIRECTORS:**

The Board had 13 Board Meetings during the financial year 2016-17.

Sr.No	Date	Board Strength	No. of Directors present
1.	02.04.2016	5	5
2.	13.04.2016	5	2
3.	28.04.2016	5	2
4.	30.05.2016	5	5
5.	30.06.2016	5	2
6.	12.08.2016	5	5
7.	16.08.2016	5	2
8.	25.08.2016	5	2
9.	12.11.2016	5	2
10.	26.11.2016	5	2
11.	14.02.2017	5	2
12.	20.03.2017	5	3
13.	31.03.2017	5	3

(Only Non-Executive & Independent Directors)

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

**10. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 134 sub-section (3) (c) and (5) of the Companies Act, 2013, your Directors hereby state and confirm that:

- (i). In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii). Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2017 and of the Company's as at March 31, 2017 and of the Company's profit or loss for the year ended on that date.
- (iii). 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.
- (iv). The annual financial statements have been prepared on a going concern basis.
- (v). That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.



(vi). Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. AUDITORS AND REPORT THEREON:**

M/s. Loya Bagri & Co., Chartered Accountants, Nagpur, Statutory Auditors of the Company, will be completing his tenure as Statutory Auditors, on the conclusion of the ensuing Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint a new Statutory Auditor in place of retiring auditor M/s. Loya Bagri & Co., It is further proposed to appoint M/s. Subhash Chand Jain Anurag & Associates as a Statutory Auditor for the term of five years i.e. from the conclusion of the ensuing Annual General Meeting till the conclusion of the sixty-oneth to be held in 2022.

The Company has received a letter from M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, to the effect that their appointment if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The Directors recommend appointment of Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the sixty-oneth to be held in 2022.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer. (Annexure-2)

#### **12. LOANS, GUARANTEES AND INVESTMENTS:**

During the year under review, the Company has given an unsecured loan to M/s. Kyoto Merchandise Private Limited Company which is within the limit as referred to in Section 186 of the Companies Act, 2013.

There are no guarantees or securities granted or made any investments as referred to in Section 186 of the Companies Act, 2013.

#### **13. 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.

#### **14. RELATED PARTY TRANSACTIONS:**

All Related Party Transactions entered into by the Company during the financial year were in the ordinary Course of business and on an arm's length basis. Particulars of material contracts/ arrangements entered into by the Company with related parties referred to Section 188 (1) of the Companies Act, 2013 are provided in Form AOC-2, which is annexed herewith Annexure-3.



Related party disclosures as per Accounting Standard 18 have been provided in Note '28.7' to the financial statements.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 4.

**16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**WOMEN DIRECTOR:**

Smt. Poonam Sarda 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.

**RE-APPOINTMENT OF DIRECTOR:**

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Poonam Sarda Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment.

**KEY MANAGERIAL PERSONNEL:**

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Shri. Nandkishore Sarda, Chairman and Managing Director, Smt. Poonam Sarda, Whole-time Director and Chief Financial officer and Shri. Amit B. Mundada, Company Secretary & Compliance officer. During the year, there has been no change in the Key Managerial Personnel.

**INDEPENDENT DIRECTOR'S DECLARATION:**

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Obligations and Disclosure Requirements Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, Independent Directors, Executive Director, Committees and Chairman of the Board.

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

**17. DEPOSITS:**

The Company has not accepted any deposits from the public during the year.

**18. CORPORATE SOCIAL RESPONSIBILITY:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**19. CORPORATE GOVERNANCE**

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

**20. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, has been provided in Annexure-5.

**REMUNERATION POLICY:****Remuneration to Executive Directors:**

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

**Remuneration to Non- Executive Directors:**

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

**21. COMMITTEES OF THE BOARD:**

The Company has Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Board Committees are set up under the formal approval of the Board to carry out clearly defined role which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to the Committee Meetings, as far as may be practicable. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for consideration and noting. The Company Secretary acts as the Secretary of all Committees.

**AUDIT COMMITTEE:**

In terms of Section 177 of the companies Act, 2013 the Audit Committee of Sharda Ispat Limited comprised of three directors. The board has accepted the recommendations of the Audit Committee. The table set out the composition of the Committee:

Name of the 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



**NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to Section 178 (1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of the three Non-executive Directors. The table set out the composition of the Committee:

Name of the 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 ensures 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.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In accordance with the provisions of Section 178 (5) the Companies Act, 2013 a listed Company is required to have a 'Stakeholders Relationship Committee'. The Company already has its 'Stakeholders Relationship Committee'. The table sets out the composition of the Committee.

Name of the Director	Position held in the Committee	Category of the Director
Shri. H. K. Dass	Chairman	Non-Executive Independent Director
Shri. Nandkishor Sarda	Member	Chairman and Managing Director (Executive Director)
Smt. Poonam Sarda	Member	Whole-time Director and CFO (Executive Director)

**22. SECRETARIAL AUDIT REPORT:**

Pursuant to Provisions of Section 203 of the Companies Act, 2013 the Board has appointed Shri. Chandra Prakash Jha Practicing Company Secretary as the Secretarial Auditor of the Company for the financial year 2016-17 at its meeting held on 20<sup>th</sup> March, 2017. Due to certain exigencies Shri. Chandra Prakash Jha expresses his inability to do Secretarial Audit and tender his resignation.

The Board has appointed Shri. Sunil Kumar Sharma, Practicing Company Secretary as Secretarial Auditor of the Company for the financial year 2016-17 at its meeting held on 30<sup>th</sup> May, 2017 to fill the void created due to the resignation of Shri. Chandra Prakash Jha and his report is annexed to this Board Report by way of Annexure-6.

The necessary clarification/ explanation on the qualification/ adverse remark in the Secretarial Audit Report is given below:

The Company has taken initiative and is in process to remove suspension from Calcutta Stock Exchange.

**23. APPOINTMENT OF COST AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 the cost audit record maintained by the Company is required to be audited. Your Directors had, on recommendation of the Audit Committee, re-appointed M/s. Narendra Peshne & Associates, Nagpur for conducting the cost audit of the Company for the Financial Year 2017-18.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, resolution seeking members' ratification for remuneration to be paid to Cost Auditors is included at Item No. 4 of the Notice convening Annual General Meeting.

**24. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

As per Section 177 (9) and (10) of the Companies Act, 2013, the Company has established vigil mechanism named 'Whistle Blower Policy', wherein the employees/ directors can report the instances of unethical behaviour, actual or suspected fraud or any violation of the code of conduct and/ or laws applicable to the Company and seek redressal. This mechanism provides appropriate protection to the genuine whistle blower, who avails of the mechanism. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on the website of the Company.

**25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

In terms of Provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**26. 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.

**27. 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.

**28. SHARES IN SUSPENSE ACCOUNT:**

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

**29. MATERIAL VARIATIONS:**

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

**30. MANAGEMENT DISCUSSION AND ANALYSIS:****ECONOMY:**

Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Activity surprised on the upside in Japan thanks to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand. Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

The Indian economy witnesses gradual growth since 2014. The favourable policy as well as executive economic reforms by the Government to support strong and sustainable growth, prudent fiscal regime and calibrated monetary easing that reigned in inflation have helped to strengthen macroeconomic stability. The lower crude oil prices have also helped to reduce current account deficit, improve fiscal positions and lower inflation. This, in turn, has helped boost economic activities in India. Driven by these positive developments, the country has emerged as the world's fastest growing major economy.

However, according to estimates by the Central Statistics office (CSO), India's GDP growth has moderated in FY 2016-17 to 7.1% to 7.9% recorded in the previous financial year. This happened largely owing to the demonetisation initiative that led to temporary de-circulation of money. The situation has largely normalised, following the Government's re-monetisation process. Policy actions should also boost financial stability through full recognition of non-performing loans and raising public sector bank's capital buffers and secure the public finances through continued reduction of poorly targeted subsidies and structural tax reforms, including implementation of the



recently approved nationwide goods and service tax.

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Global steel markets recovered during the financial year 2016-17 registering better than estimated production and demand growth. During the year, the global demand grew by 1% to 1.52 billion tones on the back of stronger than expected demand growth in China (1.3%) coupled with optimism on supply-side structural reforms and restocking. This happened mainly due to an improving apparent consumption in China where the Governments mini stimulus measures drove buoyancy in infrastructure investment and the housing market. The global capacity utilization ratio remained around 70% in spite of proactive measures being undertaken in China and Europe. However the statistic remained depressed in CIS, Middle East, Africa and Americas.

During the year under review, the raw material prices remained volatile especially for coking coal due to supply related issues. In addition, prolonged oversupply in iron ore has led to lower level for raw material prices despite steel realizations getting support from cost push as raw material prices fluctuated on supply issues in the second half of 2016. Due to back of tightness in physical markets, steel prices again move up, reflecting a movement in raw material prices. The Steel prices continued to firm up until March, 2017 with 1 Q Cy 2017 coking coal contract price settling at USD 285/t and jump in seaborne iron ore prices.

India's prospects continue to remain bright albeit with few short term headwinds in the form of imports and surplus capacity. Regulatory measures announced by the Indian government during the year have continued to aid in domestic steel prices. The Indian Steel industry has increased its capacity in the recent years, though the demand growth has remained muted. The Financial Year 2016-17, saw a modest consumption growth of 3% due to low growth in construction sector and impact of demonetisation and a sharp decline in imports as domestic supply rebounded to the extent that India became a net exporter of Steel, after a gap of three years. As per World Steel Association (WSA), steel demand in India is expected to grow at 6-7 % per annum in the next two years, compared to 4% in 2016.

#### **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 2016-17 the Company achieved production of Steel product as under:

Own Unit - 13,718.740 MT (Previous Year 14,573.705 MT)

Sales (Rs.) - 5968.78 Lacs (Previous Year 6,600.54 Lacs)



Conversion Service - 10053.240 MT (Previous Year 2475.876 MT)

Sales (Rs.) - 281.84 Lacs (Previous Year 73.81 Lacs)

#### **OUTLOOK FOR STEEL INDUSTRY:**

According to the World Steel Association, India will contribute 5.1 million tones out of the forecasted growth of around 20 million tones in global steel demand during the current year 2017. As per CRISIL, in the short and medium term, the steel industry is set to grow at a 6-6.5% CAGR.

This sets the stage for steel producers to grow in line with the steel demand and at the same time capitalize on Government policies. The imposition of Minimum Import Price (MIP) encouraged the producers to increase their output. Post-demonetisation, steel consumption is expected to remain under pressure in the coming few months to a certain extent. This is because it is likely that the demand for steel from the user industries like construction, real estate will take some time to strengthen. However, government push towards infrastructure will compensate for this reduction in demand.

With several budgetary allocations boosting infrastructure, the demand of steel and steel products is expected to rise. Another major policy reform favouring the Indian Companies is the recent ruling that domestic steel will be given preference in Government projects as part of the Make in India Programme.

#### **RISK & CONCERNS:**

Your Company has identified major areas of risk and concerns and increased focus thereon to ensure achievement of the organizational 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 employs an adequate and effective system of internal control commensurate with its size and nature of business that provides for assurance of the efficiency of operations, security of Company's assets, accurate and prompt recording of transactions, efficient Management Information Systems and compliance with the prevalent statutes, accounting standards.

The internal control is supplemented by an extensive review by internal auditors. The prime objective of internal audit is to test the adequacy and effectiveness of internal controls laid down by the management and to suggest improvements. Observations of the internal auditors are subject to periodic review and compliance monitoring. The Audit Committee of the board reviews the significant observations made by internal auditors along with status of action thereon.

The Company has in place adequate internal financial controls with reference to the Financial statements. During the year, such controls were tested and no reportable material weakness was observed in the design or implementation.

**DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

During the fiscal year 2016-17, the Company achieved the sales turnover of Rs. 6,250.62 Lacs (Own Unit Rs. 5968.78 Lacs (13,718.740 MT) and Conversion / Service Rs.281.84 Lacs (10,053.240 MT) as against Rs. 6674.35 {Own Unit Rs. 6,600.54 Lacs (14,573.705 MT) and Conversion/ Service Rs.73.81 Lacs (2475.876 MT)} during the previous year. After providing depreciation of Rs. 24.00 Lacs and Rs. 118.98 Lacs towards interest and further adjusting Rs. 109.58 Lacs for taxation (net) the Company posted net profit after tax of Rs. 206.66 Lacs as against Rs. 126.52 Lacs during the last year. The operational performance of the Company was improved. Since the Company has witnessed a manifold increase in the amount of conversion job due to the total activity in the steel end use sectors especially automotive rose by 1.7%.

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

The Company recognizes the importance of human resources in realizing its growth ambitions and believes in nurturing talent within the organization to take up leadership positions. The Company increased its more concentration on the development of Human Resources than any other Resources. The Company 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 31.03.2017 the total number of employees employed by the Company was 41 (Forty one).

**31. ACKNOWLEDGEMENT:**

The directors would like to express their sincere appreciation of the 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: 14.08.2017  
Place: Nagpur

Nandkishore Sarda  
DIN: 00229911  
Chairman & Managing Director



Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2017

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

**1. 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  
Tel : 0712-2640071-74, E-mail :- shardaispat.ngp@gmail.com.
- 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)

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**3. 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.

**4. 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									
f-1. Partnership Firm	0	20000	20000	0.39	0	20000	20000	0.39	0.00
f-2. Directors	443660	0	443660	8.74	443660	0	443660	8.74	0.00
f-3. Directors Relatives	861720	777100	1638820	32.28	861720	777100	1638820	32.28	0.00
<b>Sub-total (A) (1):-</b>	<b>2301000</b>	<b>1506600</b>	<b>3807600</b>	<b>75.00</b>	<b>2301000</b>	<b>1506600</b>	<b>3807600</b>	<b>75.00</b>	<b>0.00</b>
(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 (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2301000</b>	<b>1506600</b>	<b>3807600</b>	<b>75.00</b>	<b>2301000</b>	<b>1506600</b>	<b>3807600</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public 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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i. Indian	161513	323260	484773	9.55	159221	323260	482481	9.50	-0.05
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	26927	677500	704427	13.88	34619	672100	706719	13.92	0.05





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>188440</b>	<b>1080760</b>	<b>1269200</b>	<b>25.00</b>	<b>193840</b>	<b>1075360</b>	<b>1269200</b>	<b>25.00</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>188440</b>	<b>1080760</b>	<b>1269200</b>	<b>25.00</b>	<b>193840</b>	<b>1075360</b>	<b>1269200</b>	<b>25.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>2489440</b>	<b>2587360</b>	<b>5076800</b>	<b>100.00</b>	<b>2494840</b>	<b>2581960</b>	<b>5076800</b>	<b>100</b>	<b>0.00</b>

ii. Shareholding of Promoters

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



11.	Anandkumar Nandkishore Sarda (HUF)	24000	0.47	N.A	24000	0.47	N.A	0.00
12.	Anant Sarda	31500	0.62	N.A	31500	0.62	N.A	0.00
13.	Ashadevi Sarda	166520	3.28	N.A	166520	3.28	N.A	0.00
14.	Ghanshyam Das Sarda (HUF)	4000	0.08	N.A	4000	0.08	N.A	0.00
15.	Ghanshyam Sarda	87400	1.72	N.A	87400	1.72	N.A	0.00
16.	Jugal kishore Sarda (HUF)	41380	0.82	N.A	41380	0.82	N.A	0.00
17.	Jugalkishore Sarda	90200	1.78	N.A	90200	1.78	N.A	0.00
18.	Kamalkishore Sarda	100120	1.97	N.A	100120	1.97	N.A	0.00
19.	Kamini Sarda	1200	0.02	N.A	1200	0.02	N.A	0.00
20.	Kunj Behari Sharda	1500	0.03	N.A	1500	0.03	N.A	0.00
21.	Madhubala Thakurdas Laddha	11200	0.22	N.A	11200	0.22	N.A	0.00
22.	Manish Jugalkishore Sarda	25700	0.51	N.A	25700	0.51	N.A	0.00
23.	Nandkishore Sarda (HUF)	50340	0.99	N.A	50340	0.99	N.A	0.00
24.	Nand Kishor R. Sarda (HUF)	66300	1.91	N.A	66300	1.91	N.A	0.00
25.	Nandkishore Sarda	143000	2.82	N.A	143000	2.82	N.A	0.00
26.	Neeraj Sarda	57800	1.14	N.A	57800	1.14	N.A	0.00
27.	Pankaj Sarda	33600	0.66	N.A	33600	0.66	N.A	0.00
28.	Poonam Sarda	123060	2.42	N.A	123060	2.42	N.A	0.00
29.	Prachi Kamalkishore Sarda	10000	0.20	N.A	10000	0.20	N.A	0.00
30.	Premlata Sarda	84500	1.66	N.A	84500	1.66	N.A	0.00
31.	Raghav Sarda	32200	0.63	N.A	32200	0.63	N.A	0.00
32.	Ramkishore Shrilal Sarda	58460	1.15	N.A	58460	1.15	N.A	0.00
33.	R.R.Sarda and Company	10000	0.20	N.A	10000	0.20	N.A	0.00
34.	Sandeep T. Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
35.	Shakuntaladevi Sarda	41400	0.82	N.A	41400	0.82	N.A	0.00
36.	Sharda Dharam Kanta	10000	0.20	N.A	10000	0.20	N.A	0.00
37.	Shashi K.Rathi	16600	0.33	N.A	16600	0.33	N.A	0.00
38.	Sheetal K.Rathi	3000	0.06	N.A	3000	0.06	N.A	0.00
39.	Smita T.Laddha	10000	0.20	N.A	10000	0.20	N.A	0.00
40.	Umadevi Sarda	66000	1.30	N.A	66000	1.30	N.A	0.00
41.	Veenadevi G.Sarda	55000	1.08	N.A	55000	1.08	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 Shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of Shares at the beginning/end of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Sulakshana Trade Holdings Ltd.	284160	5.60	N.A	Nil	N.A	284160	5.60
2.	Cherry Tie Up Pvt.Ltd.	158972	3.13	N.A	Nil	N.A	158972	3.13
3.	Raj Arya	25000	0.49	N.A	Nil	N.A	25000	0.49
4.	Sukumar Estates Ltd.	21000	0.41	N.A	Nil	N.A	21000	0.41
5.	Gopaldas Nandlal Mundra	20000	0.39	N.A	Nil	N.A	20000	0.39
6.	Shrigopal Pansari	20000	0.39	N.A	Nil	N.A	20000	0.39
7.	Radhadevi Narayandas Mundra	10000	0.20	N.A	Nil	N.A	10000	0.20
8.	K.K.S.(Trustee) Uma Family Trust	7500	0.15	N.A	Nil	N.A	7500	0.15
9.	K.K.S.(Trustee) Lata Family Trust	7500	0.15	N.A	Nil	N.A	7500	0.15
10.	Suresh Gupta	5400	0.11	N.A	Nil	N.A	5400	0.11



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

Sr. No.	Name of the Director and KMP	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. Nandkishore 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

## 5. 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	5,37,72,569	3,66,92,061	0	9,04,64,630
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total ( i +ii + iii)</b>	<b>5,37,72,569</b>	<b>3,66,92,061</b>	<b>0</b>	<b>9,04,64,630</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	0
• Reduction	(36,63,579)	(1,23,83,252)	0	(1,60,46,831)
<b>Net Change</b>	<b>(36,63,579)</b>	<b>(1,23,83,252)</b>	<b>0</b>	<b>(1,60,46,831)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,01,08,990	2,43,08,809	0	4,44,17,799
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>5,01,08,990</b>	<b>2,43,08,809</b>	<b>0</b>	<b>4,44,17,799</b>



**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nandkishore Sarda	Poonam Sarda*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	15,00,000	12,00,000	27,00,000
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. Dasa	
1	Independent Directors ● Fee for attending board meeting ● Commission ● Others, please specify	8,000	8,000	8,000	24,000
	Total (1)	8,000	8,000	8,000	24,000
2	Other Non-Executive Directors ● Fee for attending board committee meeting ● Commission ● Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
3	Total (B)=(1+2)	8,000	8,000	8,000	24,000
	Total Managerial Remuneration	8,000	8,000	8,000	24,000
	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	4,01,320	16,01,320
	(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	4,01,320	16,01,320

\* Smt. Poonam Sarada is whole time Director as well as CFO of the company. The total remuneration paid during the FY 2016-17 to her is Rs. 12 Lacs.

## 7. 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, 2017, 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 those financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

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

**Opinion:**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended of that date.

**Report on Other Legal and Regulatory Requirements:**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by section 143(3) of the Act, we report that :
- 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 it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a Director in terms of Section 164(2) of the Act; and
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" and
  - 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.
  - The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 28.8 to the financial statements.

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

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

Nagpur, Dated the,  
30th May, 2017





**"ANNEXURE I" TO**  
**INDEPENDENT AUDITORS' REPORT**

The Annexure I referred to in Paragraph '9' with the heading "Report on other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of Sharda Ispat Ltd. on the financial statements for the year ended 31st March, 2017

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) These assets have been physically verified by the management during the year and no discrepancies have been noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not have any immovable property except buildings which were received on demerger of the company. The land is held by resultant company to whom the company is paying lease rent of land.
- ii) (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed.
- iii) (a) The Company has granted unsecured loan to One Private Limited company of Rs. 327.5 Lacs out of which Rs. 29 Lacs were refunded, covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of loan are not prejudicial to the Company's interest.  
(b) The loan granted including Interest thereon is repayable on demand. According to the information given to us, there has been no default on the part of the party to whom the money was granted.
- iv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, there are no guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with the provisions of section of the Act in respect of loans granted.
- v) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under are applicable.
- vi) As prescribed by the Central Government under sub-section(1) of section 148 of the Act for maintenance of cost records and as per information and explanations given by the management, such records are maintained by the company but we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed dues are outstanding as at 31st March, 2017 for a period of more than



six months from the date of becoming payable.

- (b) According to the information and explanations given to us and the records of the company examined by us, the dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess as at 31st March, 2017 which have not been deposited on account of dispute and the forum where the disputes are pending, are as under :

Sr. No.	Name of the 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
12.	Income Tax Act, 1961(A.Y. 2009-10)	Income Tax and Interest	2,54,86,454	Commissioner of Income Tax (Appeals), Nagpur
13.	Income Tax Act, 1961(A.Y. 2014-15)	Income Tax	1,52,630	Commissioner of Income Tax (Appeals), Nagpur
14.	Central Excise Act	Excise Duty & Penalty	2,41,966	Commissioner of Central Excise, City-I Nagpur.

(Above Sr. No 8,9,10 and 11 are in total. The allocation shall be made after final decision between demerged company and resultant companies)

(Refer Note No.28.1)



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

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

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

Nagpur, Dated the,  
30th May ,2017



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

The Annexure II referred to in clause (f) of Paragraph '10' of our Independent Auditors' Report to the members of Sharda Ispat Ltd. on the financial statements for the year ended 31st March, 2017

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

We have audited the internal financial controls over financial reporting of Sharda Ispat Ltd. ("the Company") as at 31st March, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **2. Management's Responsibility for Internal Financial Controls**

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

### **3. Auditors' Responsibility**

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

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



#### 4. Meaning of Internal Financial Controls Over Financial Reporting

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

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

#### 5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### 6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Nagpur, Dated the,  
30th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	NOTES	31-03-2017	31-03-2016
<b>1) EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
a) Share Capital	'1'	5,07,68,000	5,07,68,000
b) Reserve & Surplus	'2'	2,78,36,861	71,70,690
<b>NON-CURRENT LIABILITIES</b>			
a) Long-Term Borrowings	'3'	17,54,740	---
b) Deferred Tax Liabilities (Net)	'4'	31,57,893	36,34,637
c) Long-Term Provisions	'5'	34,36,863	30,68,179
<b>CURRENT LIABILITIES</b>			
a) Short-Term Borrowings	'6'	7,26,63,060	9,04,64,630
b) Trade Payables	'7'	5,57,11,191	1,88,18,257
c) Other Current Liabilities	'8'	2,03,65,823	3,06,65,073
d) Short-Term Provisions	'9'	1,13,72,251	36,25,669
	<b>TOTAL</b>	<b>24,70,66,682</b>	<b>20,82,15,135</b>
<b>2) ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Fixed assets	'10'		
(i) Tangible Assets		2,42,52,541	2,39,19,900
(ii) Intangible Assets		10,000	10,000
b) Non-Current Investments	'11'	32,62,600	32,62,600
c) Other Non-Current Assets	'12'	37,88,365	38,13,365
<b>CURRENT ASSETS</b>			
a) Inventories	'13'	9,62,71,660	10,38,30,942
b) Trade Receivables	'14'	4,86,23,738	3,70,07,939
c) Cash and Cash Equivalents	'15'	54,52,173	70,62,409
d) Short-Term Loans and Advances	'16'	3,25,00,539	27,66,828
e) Other Current Assets	'17'	3,29,05,066	2,65,41,152
	<b>TOTAL</b>	<b>24,70,66,682</b>	<b>20,82,15,135</b>

Significant Accounting Policies and Disclosures to The Financial Statements  
Notes "1 to 17" & "27 and 28" form an integral part of the Balance Sheet.  
As per Our report of even date attached.

'27 & 28'

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

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

Nagpur, Dated the,  
30th May, 2017

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

**NANDKISHORE SARDA**  
(Chairman cum Managing Director)  
(DIN 00229911)

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

**AMIT B. MUNDADA**  
(Company Secretary)



**STATEMENT OF PROFIT AND LOSS FOR THE  
YEAR ENDING 31ST MARCH, 2017**

PARTICULARS	NOTE	31-03-2017	31-03-2016
<b>1) REVENUE</b>			
Revenue From Operations (Gross)	'18'	62,50,61,568	66,74,72,826
Less : Excise Duty		6,63,33,501	7,39,02,313
Revenue From Operations (Net)		55,87,28,067	59,35,70,513
Other Income	'19'	28,59,454	7,36,801
<b>Total Revenue</b>		<b>56,15,87,521</b>	<b>59,43,07,314</b>
<b>2) EXPENSES</b>			
Cost of Materials Consumed	'20'	39,49,14,021	46,04,59,088
Changes in Inventories of Finished Goods	'21'	2,01,58,440	2,15,87,236
Employee Benefit Expenses	'22'	1,48,94,032	1,34,71,002
Finance Costs	'23'	1,18,98,457	1,40,94,528
Depreciation and Amortization Expenses	'24'	23,99,539	22,85,241
Other Expenses	'25'	8,56,99,302	7,63,58,551
<b>Total Expenses</b>		<b>52,99,63,791</b>	<b>58,82,55,646</b>
Profit Before Exceptional Item & Tax		3,16,23,730	60,51,668
<b>Exceptional Item</b>			
Profit on Sale of Land			97,00,406
<b>Profit Before Tax</b>		<b>3,16,23,730</b>	<b>1,57,52,074</b>
Tax Expenses :			
(1) Current Tax		1,08,00,000	33,00,000
(2) Income Tax (earlier years)		6,34,303	(6,796)
(3) Deferred Tax		(4,76,744)	(1,93,229)
Profit for the year		2,06,66,171	1,26,52,099
Earning per equity share :	'26'		
Before Exceptional Item Basic & Diluted		4.07	0.97
After Exceptional Item Basic & Diluted		4.07	2.49

Significant Accounting Policies & Disclosures to the financial statements '27 to 28'  
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

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

Nagpur, Dated the,  
30th May, 2017

*Sharda Ispat Limited*

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

**NANDKISHORE SARDA**  
(Chairman cum Managing Director)  
(DIN 00229911)

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

**AMIT B. MUNDADA**  
(Company Secretary)

**Cash Flow Statement for the year ended 31st March, 2017**

<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>31-3-2017 (Rs.)</b>	<b>31-3-2016 (Rs.)</b>
Profit Before Taxation	3,16,23,730	1,57,52,074
Adjustments for		
Interest Income	(28,59,454)	(5,49,336)
Dividend Income	-----	(1,63,481)
Interest expenses	1,18,98,457	1,40,94,528
Depreciation	23,99,539	22,85,241
Profit on Sale of Land (Freehold)	-----	(97,00,406)
	<u>1,14,38,542</u>	<u>59,66,546</u>
<b>Operating profit before working capital changes</b>	<b>4,30,62,272</b>	<b>2,17,18,620</b>
Adjustments for :		
Inventories	75,59,282	6,21,70,150
Trade Receivables	(1,16,15,799)	2,55,13,816
Short Term Loans and Advances	(2,97,33,711)	(4,61,871)
Other current assets	(39,08,760)	38,81,099
Other non-current assets	25,000	9,95,501
Trade Payables	3,68,92,934	(4,67,70,716)
Other current liabilities	(1,02,99,250)	13,59,510
Other long term provisions	3,68,684	2,91,272
Other short term provisions	2,46,582	(16,366)
<b>Other than Direct Tax</b>	<u>(1,04,65,038)</u>	<u>4,69,62,395</u>
<b>Cash generated from operations</b>	<b>3,25,97,234</b>	<b>6,86,81,015</b>
Direct taxes paid (net of refunds)	(60,60,623)	(38,94,411)
<b>Net Cash generated from operating activities</b> <b>A</b>	<u><b>2,65,36,611</b></u>	<u><b>6,47,86,604</b></u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of tangible Fixed Assets	(27,32,180)	(12,40,796)
Sale of tangible fixed assets (Net)	-----	1,89,05,357
(Investment) / Redemption of Bank deposits (having original maturity more than 3 months)	(27,325)	(23,03,773)
Sale/ (Purchase) of Investments	-----	-----
Interest Received	25,30,620	7,51,439
Dividend Received	-----	1,63,481
<b>Net Cash from Investing activities</b> <b>B</b>	<u><b>(2,28,885)</b></u>	<u><b>1,62,75,708</b></u>



**C) CASH FLOW FROM FINANCING ACTIVITIES**

Repayments of borrowings	(1,60,46,830)	(7,29,30,927)
Interest paid	(1,18,98,457)	(1,40,94,528)
<b>Net Cash used in financing activities</b>	<b>C</b>	<b>(2,79,45,287)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(16,37,561)</b>
Cash and cash equivalents - Opening Balance	33,76,404	93,39,547
Cash and cash equivalents - Closing Balance	17,38,843	33,76,404
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(16,37,561)</b>	<b>(59,63,143)</b>

**NOTES:**

- Cash and cash equivalents include:

Cash on hand	72,863	67,174
Balances with banks	16,65,980	33,09,230
<b>Total cash and cash equivalents</b>	<b>17,38,843</b>	<b>33,76,404</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.
- The figures of the previous year have been reclassified to confirm with current year's presentation, wherever applicable.

As per our report of even date attached.

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

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

Nagpur, Dated the,  
30th May, 2017

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

**NANDKISHORE SARDA**  
(Chairman cum Managing Director)  
(DIN 00229911)

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

**AMIT B. MUNDADA**  
(Company Secretary)



**NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2017**

PARTICULARS	31-03-2017	31-03-2016
<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)	5,10,00,000	5,10,00,000
Issued :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	5,07,68,000	5,07,68,000
Subscribed & Paid Up :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800 Equity Shares)	5,07,68,000	5,07,68,000
<b>Rs.</b>	<b>5,07,68,000</b>	<b>5,07,68,000</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

<u>Equity Shares</u> Particulars	<u>As at March 31, 2017</u>		<u>As at March 31, 2016</u>	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at beginning of the year	50,76,800	5,07,68,000	50,76,800	5,07,68,000
Balance as at the end of the year	50,76,800	5,07,68,000	50,76,800	5,07,68,000

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

<u>Name of the Shareholders</u>	<u>As at March 31, 2017</u>		<u>As at March 31, 2016</u>	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Kyoto Merchandise Private Limited	4,00,000	7.88%	4,00,000	7.88%
Sulakshna Trade Holdings Limited	2,84,160	5.60%	2,84,160	5.60%
Anand Nandkishore Sarda	5,84,000	11.50%	5,84,000	11.50%
Asha Agriculture & Properties Pvt. Ltd.	5,26,500	10.37%	5,26,500	10.37%

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



PARTICULARS	31-03-2017	31-03-2016
<b>NOTE "2"</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>(a) Capital Reserve</b>		
Balance as per last Balance Sheet	25,00,000	25,00,000
*Capital Subsidy		
<b>(b) Securities Premium Reserve</b>		
Balance as per last Balance Sheet	2,73,79,000	2,73,79,000
<b>(c) Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	(2,27,08,310)	(3,53,60,409)
Add : Profit of the year	2,06,66,171	1,26,52,099
<b>Balance as at the end of the year</b>	<u>(20,42,139)</u>	<u>(2,27,08,310)</u>
<b>Rs.</b>	<u><b>2,78,36,861</b></u>	<u><b>71,70,690</b></u>

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

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

Term Loan From

Bank

	17,54,740	----
<b>Rs.</b>	<u><b>17,54,740</b></u>	<u>----</u>

3.1 Term Loan is repayable in 60 monthly installments against hypothecation of Vehicle with finance rate @ 9.60%

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

Deferred tax Liability on account of :-

Fixed Assets

Allowance under Income Tax Act

41,00,669

43,11,486

3,84,229

4,46,730

44,84,89847,58,216

Deferred Tax Asset on account of :-

Other employee benefits

13,27,005

11,23,579

**Rs.** **31,57,893** **36,34,637****NOTE "5"****LONG TERM PROVISIONS**

Provision for Employee Benefit

Gratuity Payable

34,36,863

30,68,179

**Rs.** **34,36,863** **30,68,179**



PARTICULARS	31-03-2017	31-03-2016
<b>NOTE "6"</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans From Bank	5,01,08,990	5,37,72,569
<b>Unsecured</b>		
Loans from Related Parties	94,50,604	94,50,604
Corporate Loans & Advances	1,30,65,703	2,72,41,457
Directors	37,763	---
	<u>2,25,54,070</u>	<u>3,66,92,061</u>
<b>Rs.</b>	<b><u>7,26,63,060</u></b>	<b><u>9,04,64,630</u></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 of credit and Bank Guarantee limit are further secured by way of Notorized 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	3,83,32,171	1,64,14,247
Other than Acceptance	1,73,79,020	24,04,010
<b>Rs.</b>	<b><u>5,57,11,191</u></b>	<b><u>1,88,18,257</u></b>
<b>NOTE "8"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advances from Customers	31,67,934	1,52,78,798
Current Maturities of Long Term Debt	3,87,567	---
Other Current Liabilities	1,68,10,322	1,53,86,275
<b>Rs.</b>	<b><u>2,03,65,823</u></b>	<b><u>3,06,65,073</u></b>
8.1 Other Current liabilities includes deferred sales Tax liabilities which are payable in next 12 months.		
	6,87,589	6,87,589
<b>NOTE "9"</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision For Income-Tax	1,08,00,000	33,00,000
Leave with Wages	5,72,251	3,25,669
<b>Rs.</b>	<b><u>1,13,72,251</u></b>	<b><u>36,25,669</u></b>



**NOTE "10"**

**Fixed Assets as at 31st March, 2017**

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)	---	---	---	---	---	---	---	---	---	---
Buildings	2,00,70,231	---	---	2,00,70,231	1,33,48,781	---	5,80,084	1,39,28,865	61,41,366	67,21,450
Plant & Machinery	14,18,83,009	---	---	14,18,83,009	13,11,11,110	---	5,13,748	13,16,24,858	1,02,58,151	1,07,71,899
Factory Equipments	1,96,146	---	---	1,96,146	50,519	---	37,246	87,765	1,08,381	1,45,627
Office Equipments	13,67,305	2,46,114	---	16,13,419	5,89,420	---	2,21,285	8,10,705	8,02,714	7,77,885
Furniture & Fittings	24,29,331	80,881	---	25,10,212	2,64,935	---	2,33,966	4,98,901	20,11,311	21,64,396
Computers	3,94,564	96,620	---	4,91,184	2,69,303	---	64,407	3,33,710	1,57,474	1,25,261
Servers and Networks	2,23,122	---	---	2,23,122	39,324	---	35,326	74,650	1,48,472	1,83,798
Vehicles	48,59,598	23,08,565	---	71,68,163	18,30,014	---	7,13,477	25,43,491	46,24,672	30,29,584
(B) INTANGIBLE ASSETS										
Software	2,00,000	---	---	2,00,000	1,90,000	---	---	1,90,000	10,000	10,000
<b>Total</b>	<b>17,16,23,306</b>	<b>27,32,180</b>	<b>---</b>	<b>17,43,55,486</b>	<b>14,76,93,406</b>	<b>---</b>	<b>23,99,539</b>	<b>15,00,92,945</b>	<b>2,42,62,541</b>	<b>2,39,29,900</b>
Previous Year	17,95,87,461	12,40,796	92,04,951	17,16,23,306	14,54,08,165	---	22,85,241	14,76,93,406	2,39,29,900	3,41,79,296

- 10.1 The Car Audi A6 (MH-49-B-2101) has been registered in the name of Chairman cum Managing Director as the loan was obtained in personal capacity due to personal guarantee of the Chairman cum Managing Director. The Company has issued post dated cheques to the Bank for the repayment of the loan made available to the Chairman & Managing Director. 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, 2017 is Nil. (Previous year Gross value Rs. 4,859,598/- & Loan Outstanding Rs. Nil). The Car is yet to be registered in the name of the Company.
- 10.2 The Car Innova Crysta (MH-49-AE-3701) has been registered in the name of the Chairman cum Managing Director as the loan was obtained in personal capacity due to personal guarantee of the Chairman cum Managing Director. The Company has issued post dated cheque 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. 23,28,223 outstanding loan as on 31st March 2017 is 21,42,307. (Previous year Gross value Rs. Nil & Loan Outstanding Rs. Nil.)

**PARTICULARS**

**31-03-2017**

**31-03-2016**

**NOTE "11"**

**NON CURRENT INVESTMENTS**

Other Investments (Unquoted)

Investments in Equity Instruments

65252 Equity Shares of Nagpur Nagrik Sahkari

Bank Ltd. of Rs. 50/- each

(Previous Year 65252 Equity Shares)

32,62,600

32,62,600

Rs.

**32,62,600**

**32,62,600**

**NOTE "12"**

**OTHER NON-CURRENT ASSETS**

(Unsecured but considered good)

Security Deposits

37,88,365

38,13,365

Rs.

**37,88,365**

**38,13,365**



PARTICULARS	31-03-2017	31-03-2016
<b>NOTE "13"</b>		
<b>INVENTORIES</b>		
Raw Material	2,33,43,615	1,13,16,083
Finished Goods	7,01,95,396	9,03,53,836
Stores & Spares	27,32,649	21,61,023
<b>Rs.</b>	<b>9,62,71,660</b>	<b>10,38,30,942</b>
<b>NOTE "14"</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured but considered good)		
Exceeding Six Months	1,12,961	21,54,903
Others	4,85,10,777	3,48,53,036
<b>Rs.</b>	<b>4,86,23,738</b>	<b>3,70,07,939</b>
<b>NOTE "15"</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	72,863	67,174
Balances with Bank		
On Current Accounts	16,65,980	33,09,230
Other Bank Balances		
Deposits (with maturity more than 3 months but upto 12 months)	2,84,559	2,57,234
On Deposit Account (with maturity of more than 12 months)	34,28,771	34,28,771
<b>Rs.</b>	<b>54,52,173</b>	<b>70,62,409</b>
15.1 Deposits accounts are under Lien for Bank Guarantee	37,13,330	36,86,005
<b>NOTE "16"</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured but considered good)		
Other Loans & Advances	3,18,90,843	---
Advances for Purchases	4,54,496	26,62,628
Other Loans and Advances	1,55,200	1,04,200
<b>Rs.</b>	<b>3,25,00,539</b>	<b>27,66,828</b>
<b>NOTE "17"</b>		
<b>OTHER CURRENT ASSETS</b>		
Balances with Government Authorities	3,03,31,463	2,51,38,163
Other Debit Balances	25,73,603	14,02,989
<b>Rs.</b>	<b>3,29,05,066</b>	<b>2,65,41,152</b>



PARTICULARS	31-03-2017	31-03-2016
<b>NOTE "18"</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales of Manufacturing goods		
Iron & Steels	59,68,78,017	66,00,53,922
Sales of Others	---	38,340
Sales of Services		
Conversion Charges	2,81,83,551	73,80,564
	<b>Rs. 62,50,61,568</b>	<b>66,74,72,826</b>
<b>Details of Product Sold :</b>		
<b>A) Sales of Finished Goods</b>		
Finished Goods (Rolling)	58,96,79,944	65,95,22,513
Waste & Scrap	68,33,858	---
Mill Scale	3,64,216	5,31,410
	<b>Rs. 59,68,78,017</b>	<b>66,00,53,922</b>
<b>B) Sales of Others</b>		
Other Miscellaneous	---	38,340
	<b>Rs. ---</b>	<b>38,340</b>
<b>NOTE "19"</b>		
<b>OTHER INCOME</b>		
Interest Received	28,59,454	5,49,336
Other Receipts	---	23,984
Dividend Received	---	1,63,481
	<b>Rs. 28,59,454</b>	<b>7,36,801</b>
<b>NOTE "20"</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock	1,13,16,083	4,72,96,803
Add : Purchases Including expenses	40,69,41,553	42,44,78,368
	41,82,57,636	47,17,75,171
Less : Closing Stock	2,33,43,615	1,13,16,083
Raw Material Consumed	<b>Rs. 39,49,14,021</b>	<b>46,04,59,088</b>
20.1 Purchases Includes local body tax	24,10,945	25,23,207
<b>NOTE "21"</b>		
<b>CHANGES IN FINISHED GOODS</b>		
Opening Stock of Finished Goods	9,03,53,836	11,19,41,072
Less : Closing Stock of Finished goods	7,01,95,396	9,03,53,836
	<b>Rs. 2,01,58,440</b>	<b>2,15,87,236</b>



PARTICULARS	31-03-2017	31-03-2016
<b>NOTE "22"</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Bonus etc.	1,39,89,718	1,26,32,284
Contribution to Provident & Other Funds	7,40,955	7,28,307
Staff Welfare Expenses	1,63,359	1,10,411
Rs.	<u>1,48,94,032</u>	<u>1,34,71,002</u>
<b>NOTE "23"</b>		
<b>FINANCIAL COSTS</b>		
Interest Expense	1,18,98,457	1,40,94,528
Rs.	<u>1,18,98,457</u>	<u>1,40,94,528</u>
<b>NOTE "24"</b>		
<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation	23,99,539	22,85,241
Rs.	<u>23,99,539</u>	<u>22,85,241</u>
<b>NOTE "25"</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores & Spare Parts	52,77,155	35,06,144
Power & Fuel	4,06,07,648	3,81,77,597
<b>Repairs &amp; Maintenance to</b>		
Plant & Machinery	4,58,656	3,82,389
Building	8,09,752	4,13,950
Others	24,000	13,590
Finished Goods Expenses	9,288	1,52,949
Rent Paid	51,76,800	27,76,000
Bank Charges & Interest on LC Disc.	40,20,687	63,63,626
Bank Processing Charges	1,50,100	1,50,000
FG Outward Transportation Charges	1,16,45,918	1,81,71,452
Cash Discount	61,90,336	---
Factory Operating Expenses	18,34,270	18,79,005
Excise Duty (Net)	(3,99,578)	(25,64,392)
Keyman Insurance	20,00,000	10,00,000
Director Sitting Fees	24,000	22,000
Other Miscellaneous Expenses	76,71,725	57,45,740
<b>Payment to Auditors</b>		
Audit Fees	1,15,000	---
Taxation Matters	83,545	1,68,500
Rs.	<u>1,98,545</u>	<u>1,68,500</u>
Rs.	<u>8,56,99,302</u>	<u>7,63,58,551</u>
<b>NOTE "26"</b>		
<b>EARNING PER SHARE</b>		
<b>Before Exceptional Items</b>		
Profit after Tax	2,06,66,171	49,29,509
No. of Equity Shares (weighted)	50,76,800	50,76,800
Earning Per Share	4.07	0.97
Nominal Value of per Equity Share (Rs.)	10	10
<b>After Exceptional Items</b>		
Profit after Tax	2,06,66,171	1,26,52,099
No. of Equity Shares (weighted)	50,76,800	50,76,800
Earning Per Share	4.07	2.49
Nominal Value of per Equity Share (Rs.)	10	10



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

- 27.1. The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year.
- 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 / materialised.
- 27.3. Fixed Assets :
- (a) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost of acquisition includes purchase price, freight cost, installation cost and finance cost.
  - (b) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and the present value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changing circumstances.
- 27.4. Depreciation :
- (a) The Company provides depreciation on all its assets on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
  - (b) Depreciation for assets purchased / sold during the year is proportionately charged.
- 27.5. Borrowing Costs:  
Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets, upto the date the assets are ready for their intended use. All other borrowing costs are recognized in the Statement of profit and Loss in the year in which they are incurred.
- 27.6. Inventories:
- a) Inventories are valued at lower of cost or net realisable value.
  - b) The Raw Materials and Stores & Spares are valued at cost. The cost includes duties & taxes other than credits availed under Modvat and is arrived at on First-in-First-Out Basis.



27.7. Investments :

Long term investments are carried at Cost.

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

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

27.9. Revenue Recognition :

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

c) Other Income :

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

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

27.10. Employee Benefits :

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

27.11. Earning per Share :

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

27.12. Taxes on Income :

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and



liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

27.13. Segment Reporting :

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

27.14. Provisions & Contingencies :

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

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

**NOTE 28.**

**OTHER DISCLOSURES TO THE ACCOUNTS :**

28.1 Contingent liabilities :

	2017 (Rs.)	2016 (Rs.)
<u>Claims against the company not acknowledged as debts</u> (To the extent not provided for)		
a) Labour cases	1,18,816	1,18,816
b) Excise Duty matters	98,48,009	95,96,543
c) Sales Tax Matter other than (d)	78,72,475	78,72,475
d) Sales tax matters other than (c)	1,71,19,366	1,71,19,366
above with total liabilities for the Company before demerger. The allocation shall be made after final computation in the demerged company and resultant companies.		
e) Income Tax Cases	2,67,25,170	

28.2. Earning Per Share :

Before Exceptional Items

Profit After Tax	2,06,66,171	49,29,509
No. of Equity Shares	50,76,800	50,76,800
Nominal value per equity share (Rs.)	10	10
Basic & Diluted Earning per share	4.07	0.97

After Exceptional Items

Profit After Tax	2,06,66,171	1,26,52,099
No. of Equity Shares	5,076,800	5,076,800
Nominal value per equity share (Rs.)	10	10
Basic & Diluted Earning per share	4.07	2.49

28.3 EMPLOYEE BENEFIT EXPENSESi) Defined Benefit Plans

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

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

	Gratuity	
	2017	2016
<b>I</b> <u>Change in benefit obligation</u>		
Liability at the beginning of the year	40,54,199	37,62,927
Interest cost	3,02,443	2,86,921
Current Service cost	3,97,319	3,85,744
Benefit paid	---	(1,40,509)
Actuarial (Gain)/loss on Obligation	(3,31,078)	(2,40,884)
Liability at the end of the year	*44,22,883	*40,54,199
*Includes Liability of Sharda Ispat Industries Ltd. (The resultant company on demerger)	9,86,020	9,86,020
<b>II</b> <u>Fair value of plan assets</u>		
Fair value of plan assets at the beginning of the year	---	---
Exceeded return on plan assets	---	---
Contributions	---	1,40,509
Benefit paid	---	(1,40,509)
Actuarial Gain/(loss) on plan assets	---	---
<b>Fair value of plan assets at the end of the year</b>	---	---
<b>III</b> <u>Actual return on plant assets</u>		
Exceeded return on plan assets	---	---
Actuarial (loss) on plan assets	---	---
<b>Actuarial return on plan assets</b>	---	---



IV Amount Recognised in the Balance Sheet		
Liability at the end of the year	44,22,883	40,54,199
Fair value of plan assets at the end of the year	—	—
<b>(Liabilities) recognised in the balance sheet</b>	<b>*(44,22,883)</b>	<b>*(40,54,199)</b>
V Expenses recognised in the statement of profit & loss		
Current service cost	3,97,319	3,85,744
Interest cost	3,02,443	2,86,921
Excepted return on plan assets	—	—
Net actuarial (Gain)/loss to be recognised	(3,31,078)	(2,40,884)
<b>Expense recognised in income statement</b>	<b>3,68,684</b>	<b>4,31,781</b>
VI Balance sheet reconciliation		
Opening liabilities	40,54,199	37,62,927
Expense as above	3,68,684	4,31,781
Employers contribution	---	(140,509)
Liabilities recognised in balance sheet	<b>*44,22,883</b>	<b>*40,54,199</b>
VII Actuarial assumptions : For the year		
Discount rate	7.46%	7.46%
Employee Attrition Rate	PS : 0 to 42 : 10%	PS : 0 to 42 : 10%
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.

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

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

ii) Five - year information

	2017	2016	2015	2014	2013
Gratuity					
Present value of defined benefit obligation	44,22,883	40,54,199	37,62,927	35,11,153	30,41,781
Fair value of plan assets	-	-	-	-	-
(Deficit)/Surplus in plan	(44,22,883)	(40,54,199)	(37,62,927)	(35,11,153)	(30,41,781)
Experience adjustments on Plan Liabilities	-	-	-	-	-
loss/(gain) Plan assets	-	-	-	-	-
loss/(gain)	-	-	-	-	-

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



- 28.5 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said act have not been given.
- 28.6 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.
- 28.7 Related Party Disclosures

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

- a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Relationship	Name of Related Party
Key Managerial Personnel	Shri N. K. Sarda Smt.Poonam Sarda
Relative of Key Managerial Personnel	Smt. Ashadevi Sarda Shri. Anand Sarda
<u>Others (Firms, Company and Proprietorship concern in which directors and their relatives have significant influence)</u>	Asha Agriculture & Properties Pvt. Ltd. Jaydeep Dealers Pvt. Ltd. Kyoto Merchandise Pvt. Ltd. Navdeep Agriculture & Properties Pvt. Ltd. M/s. Sharda Dharamkanta Sharda Ispat Industries Ltd. Sharda Shree Ispat Ltd. Sharda Auto Industries Ltd. In-Link Capital Services Pvt. Ltd.

- b) Transaction during the year with related parties :

Nature of Transactions	Key Managerial Personnel	Relative of Key Management Personnel	Others	Total
Directors Remuneration	2,700,000 (2,700,000)	- (-)	- (-)	2,700,000 (2,700,000)
Rent	- (-)	12,000 (12,000)	55,16,000 (27,34,440)	55,16,000 (27,46,440)
Sale of Materials / Services	- (-)	- (-)	5,07,47,240 (1,52,96,457)	5,07,47,240 (1,52,96,457)
Receiving of Services	- (-)	9,00,000 (-)	2,90,961 (76,610)	11,90,961 (76,610)
Interest Paid	41,959 (-)	- (-)	54,40,044 (68,70,526)	54,82,003 (68,70,526)
Interest Received	- (-)	- (-)	22,67,603 (-)	22,67,603 (-)
Unsecured Loan Received	39,50,000 (43,00,000)	- (-)	5,14,50,000 (12,02,50,000)	5,54,00,000 (12,45,50,000)

Unsecured Loan Repaid	39,54,196 (61,00,000)	- (-)	7,13,99,603 (14,31,00,000)	7,53,53,799 (14,92,00,000)
Unsecured Loan Granted	- (-)	- (-)	3,27,50,000 (-)	3,27,50,000 (-)
Unsecured Loan Refunded	- (-)	- (-)	29,00,000 (-)	29,00,000 (-)

## c) Balance Outstanding at the year end

Nature of Transactions	Key Managerial Personnel	Relative of Key Management Personnel	Others	Total
Unsecured Loan Payable	37,763 (-)	- (-)	91,85,465 (2,37,84,531)	92,23,228 (2,37,84,531)
Unsecured Loan Receivable	- (-)	- (-)	3,18,90,843 (-)	3,18,90,843 (-)
Trade Receivables	- (-)	- (-)	36,06,676 (4,62,530)	36,06,676 (4,62,530)
Trade Payables	- (-)	- (-)	7,10,961 (-)	7,10,961 (-)

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

Particulars	31st March, 2017	31st March, 2016
a) <u>Directors Remuneration</u>		
Shri N.K. Sarda	15,00,000	15,00,000
Smt. Poonam Sarda	12,00,000	12,00,000
b) <u>Rent</u>		
Sharda Ispat Industries Ltd.	55,16,000	27,34,440
Smt. Ashadevi Sarda	12,000	12,000
c) <u>Sale of Material / Services</u>		
Sharda Shree Ispat Ltd.	34,227	1,66,273
Sharda Auto Industries Ltd.	5,07,13,013	1,51,30,184
d) <u>Receiving of Services</u>		
M/s. Sharda Dharmkanta	2,90,961	76,610
Shri Anand Sarda	9,00,000	--
e) <u>Interest Paid</u>		
Kyoto Merchandise Pvt. Ltd.	99,452	8,47,677
Sharda Auto Industries Ltd.	36,18,836	54,19,808
Jaydeep Dealers Pvt. Ltd.	3,915	4,48,044
Navdeep Agriculture & Properties Pvt. Ltd.	3,11,366	19,808
Sharda Ispat Industries Ltd.	8,85,605	1,35,189
Asha Agriculture & Properties Pvt. Ltd.	3,884	--
Shri N.K. Sarda	41,959	--
In-Link Capital Services Pvt. Ltd.	5,16,986	--



Particulars	31st March, 2017	31st March, 2016
f) Interest Received		
Kyoto Merchandise Pvt. Ltd.	22,67,603	--
g) <u>Unsecured Loan Received</u>		
Kyoto Merchandise Pvt. Ltd.	1,00,00,000	3,31,00,000
Sharda Auto Industries Ltd.	3,00,00,000	6,23,00,000
Navdeep Agriculture & Properties Pvt. Ltd.	28,00,000	8,50,000
Sharda Ispat Industries Ltd.	5,00,000	75,00,000
Asha Agriculture & Properties Pvt. Ltd.	1,50,000	5,00,000
Shri N.K. Sarda	39,50,000	43,00,000
Sharda Auto Industries Ltd. (Interest free)	--	1,62,00,000
In-Link Capital Services Pvt. Ltd.	80,00,000	--
h) <u>Unsecured Loan Repaid</u>		
Kyoto Merchandise Pvt. Ltd.	1,00,09,945	3,96,00,000
Sharda Auto Industries Ltd.	4,55,89,711	6,23,00,000
Sharda Ispat Industries Ltd.	82,10,231	--
Jaydeep Dealers Pvt. Ltd.	6,492	2,45,00,000
Asha Agriculture & Properties Pvt. Ltd.	1,50,388	5,00,000
Shri N.K. Sarda	39,54,196	61,00,000
Sharda Auto Industries Ltd. (Interest free)	--	1,62,00,000
Navdeep Agriculture & Properties Pvt. Ltd.	18,81,137	--
In-Link Capital Services Pvt. Ltd.	55,51,699	--
i) <u>Unsecured Loan Granted</u>		
Kyoto Merchandise Pvt. Ltd.	3,27,50,000	--
j) <u>Unsecured Loan Refunded</u>		
Kyoto Merchandise Pvt. Ltd.	29,00,000	--
k) <u>Balance Outstanding of Unsecured Loan</u>		
Sharda Auto Industries Ltd.	32,56,952	1,52,27,827
Jaydeep Dealers Pvt. Ltd.	64,630	67,207
Navdeep Agriculture & Properties Pvt. Ltd.	20,98,056	8,67,827
Sharda Ispat Industries Ltd.	7,97,044	76,21,670
Shri N.K. Sarda	37,763	--
Asha Agriculture & Properties Pvt. Ltd.	3,496	--
In-Link Capital Services Pvt. Ltd.	29,65,287	--
l) <u>Balance Receivable of Unsecured Loan Given</u>		
Kyoto Merchandise Pvt. Ltd.	3,18,90,843	--





Particulars	31st March, 2017	31st March, 2016
m) <u>Outstanding Trade Receivables</u>		
Sharda Auto Industries Ltd.	36,06,676	4,62,530
n) <u>Outstanding Trade Payable</u>		
Sharda Ispat Industries Ltd.	4,20,000	--
M/s. Sharda Dharamkata	2,90,961	--

- 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.

28.8 Disclosure on Specified Bank Notes:

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs(1)	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	35,000	2,455	37,455
Add : Permitted receipts	--	2,95,920	2,95,920
Less : permitted Payments	--	2,52,042	2,52,042
Less : Amount deposited in Banks	35,000	--	35,000
Closing cash in hand as on December, 30, 2016	--	46,334	46,334

- (1) For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated November 8, 2016

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

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

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

**Nagpur, Dated the,**  
**30th May, 2017**

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

**NANDKISHORE SARDA**  
(Chairman cum Managing Director)  
(DIN 00229911)

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

**AMIT B. MUNDADA**  
(Company Secretary)

**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. Nandkishore 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, sister concern
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. 55,16,000/- per annum
E	Date(s) of approval by the Board, if any	13.02.2016
F	Amount paid as advances, if any	

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

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

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

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



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

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

## 2. f. 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	Shri. Anand Sarda, is a son of MD & Husband of WTD and CFO
B	Nature of contracts/arrangements/transactions	Consultancy Services
C	Duration of the contracts/arrangements/ transactions	On going
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Availing of his technical Consultancy services for the repairs and maintenance of the company's plant located at Kamptee Road, Nagpur.
E	Date(s) of approval by the Board, if any	02-04-2016
F	Amount paid as advances, if any	Rs. 9,00,000/-

**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 31.03.2017.
2. The inflow of foreign exchange is Nil.
3. The outflow of foreign exchange is Nil.



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

	March, 2017	March, 2016
<b>D. Power and Fuel Consumption</b>		
<b>1. Electricity:</b>		
a) Purchased : Units (No.)	23,32,200	16,87,020
Total Amount (Rs.)	1,77,54,267	1,48,05,269
Average Rate/ Unit (Rs.)	7.61	8.78
b) Own Generation	Nil	Nil
<b>2. Steam Coal</b>		
Quantity (Tonnes)	4,217	5,653
Total Cost (Rs.)	2,28,53,381	2,33,72,328
Average Rate/ Tonne (Rs.)	5,420	4,135
<b>3. Furnace Oil:</b>		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate/ K. Ltrs (Rs.)	Nil	Nil
<b>4. Other / Internal Generation</b>		
Products (with details) Unit	Nil	Nil
Rolled Iron & Steel (in MT)	23,252	16,811
Electricity (in Units)	100.30	100.35
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B' Grade) (in MT)	0.181	0.336
Excluding Shell & Dust		
Other (Specify)	Nil	Nil

**Annexure 5 to Board's Report**

**Particulars of Employees**

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 or decrease in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2016-17, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (Amount in Rs.)	% increase/ (decrease) in Remuneration in the Financial Year 2016-17	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.	<b>Shri. Nandkishore Sarda</b> Chairman & Managing Director	15,00,000	Nil	8.02	Profit before tax increased by 100.75% and profit after tax increased by 63.34% in financial year 2016-17. There was change in remuneration of KMP and its increase by 4.51%
2.	<b>Smt. Poonam Sarda</b> Whole-time Director & CFO	12,00,000	Nil	6.42	
3.	<b>Shri. Amit B. Mundada</b> Company Secretary & Compliance Officer	4,01,320	4.51%	Not applicable	

2. The median remuneration of employees of the Company during the financial year 2016-17 was Rs. 1,87,007/- per annum.
3. In the financial year 2016-17, there was an increase of 13.34% in the median remuneration of employees.
4. There were 41 permanent employees on the rolls of the Company as on 31st March, 2017.
5. Relationship between average increase in remuneration and Company performance: There was no increase in remuneration of the directors but an increase of 4.51% in the remuneration of Key managerial Personnel during the financial year 2016-17. Further, increase in median remuneration was 13.34%. 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 increased by 100.75% and profit after tax increased by 63.34% in financial year 2016-17. There was change in remuneration of KMP and its increase by 4.51%
7. a) Variations in the market capitalization of the Company: The market capitalization as on 31.03.2017 was Rs. 906.21 Lacs (Rs. 609.22 Lacs as on 31.03.2016).  
b) Price Earnings ratio of the Company was 4.39 as at 31.03.2017 and was 12.37 as at 31.03.2016.  
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. 17.85/- as on 31.03.2017 indicating a decline of 40%.
8. There was an increased of 13.45% in the salaries of the employees other than the managerial personnel in the last financial year 2016-17 and 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 2016-17: Not Applicable.
11. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31-03-2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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, 2017 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
  - 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; (Not applicable to the Company during the Audit Period);





- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
- i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015;

VI Other laws applicable to the company as per the representations made by the company.

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

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

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

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.

All Decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

**Sunil Kumar Sharma**

Company Secretary

Mem. No. 34218 C.P. No. 12708

Place: Nagpur

Date: 08/08/2017

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



**'Annexure A'**

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

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

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

Place: Nagpur  
Date : 08/08/2017

**Sunil Kumar Sharma**  
Company Secretary  
Mem. No. 34218 C.P. No. 12708



## SHARDA ISPAT LIMITED

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

Email : [shardaispat.ngp@gmail.com](mailto:shardaispat.ngp@gmail.com), Website : [www.shardaispat.com](http://www.shardaispat.com)

### ATTENDANCE SLIP

I hereby record my presence at the 56<sup>th</sup> Annual General Meeting held at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur - 440010. Maharashtra on Friday, 25<sup>th</sup> September, 2017 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 56th Annual general meeting of the company, to be held on the 25th day of September, 2017 At 10.00 a.m. at Plot No. 230, 7th Floor, 'DA-ROCK' Building, Hill Road, Shivaji Nagar, Nagpur 440010 Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of Financial statement for the Financial year ended March 31, 2017 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, 2018.
- 5 Re-appointment of Chairman & Managing Director.
- 6 Re-appointment of Whole-time Director.
- 7 Approval of Related Party Transaction with M/s. Sharda Auto Industries Ltd. under Section 188 of the Companies Act, 2013.
- 8 Authorisations for Investments.

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.

Affix  
Revenue  
Stamp

**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 440026 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, 2017 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, 2018			
5.	Re-appointment of Chairman and Managing Director.			
6.	Re-appointment of Whole-time Director.			
7.	Approval of Related Party Transaction with M/s. Sharda Auto Industries Ltd. under Section 188 of the Companies Act, 2013.			
8.	Authorisation for investment of surplus funds.			

Place :

Date :

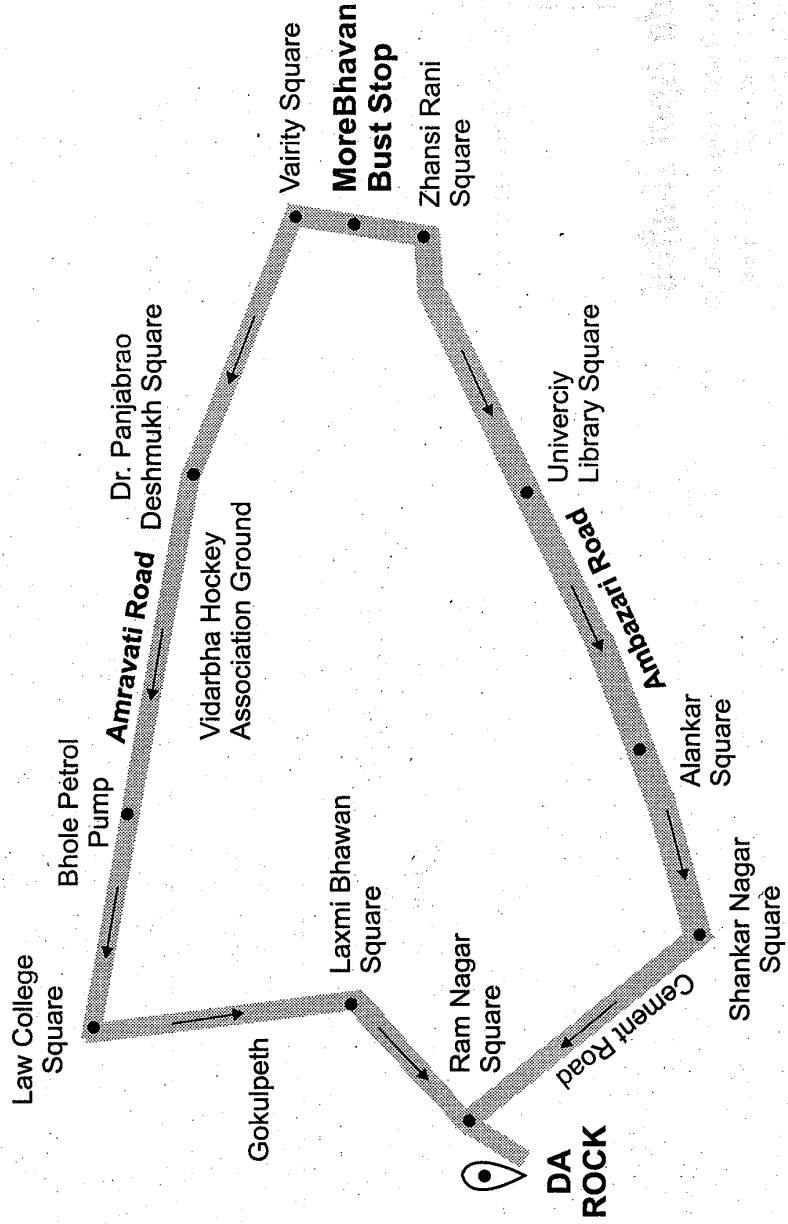
.....  
(Signature of the shareholder)

.....  
(Signature of First Proxy)

.....  
(Signature of Second Proxy)

.....  
(Signature of Third Proxy)

**Route Map for the Venue of Annual General Meeting**



BOOK-POST  
(PRINTED MATERIAL)

To,

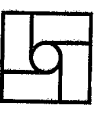
---

---

---

---

If undelivered please return to :



**Sharda Ispat Limited**

Kamptee Road, Nagpur - 440026  
Ph. : (0712) 2640071 / 3 (lines)  
Fax : (0712) 2641171