

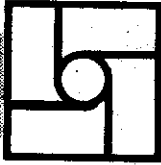
**47<sup>th</sup>**

**Annual Report**  
**2007-2008**



**SHARDA ISPAT LIMITED**

*Nagpur*



# **SHARDA ISPAT LIMITED, Nagpur**

## **BOARD OF DIRECTORS**

SHRI J.K.SARDA	: Managing Director
SHRI N.K.SARDA	: Joint Managing Director
SHRI G.D.SARDA	: Whole-Time Director
SHRI H.K.DAS	: Director
SHRI A.K.MUKHERJEE	: Director
SHRI J.C.SABOO	: Director

## **AUDITORS**

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

## **INTERNAL AUDITOR**

: M.M.JAIN,  
Chartered Accountants,  
Kingsway, Nagpur 440001.

## **BANKER**

: STATE BANK OF INDIA

## **REGISTERED OFFICE**

: Kamptee Road, Nagpur - 440026

## **PLANT**

: 1. Kamptee Road, Nagpur 440026  
: 2. T-1/1, MIDC, Hingna Road,  
Nagpur - 440016

## **ADDRESS FOR CORRESPONDENCE TO SHARE DEPARTMENT**

: M/s. SHARDA ISPAT LTD.  
Kamptee Road,  
Nagpur - 440026.



**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 46th Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Tuesday, the 30th day of September, 2008 at 10.00 a.m at the Registered Office of the Company at Kamptee Road, Nagpur - 440026 to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2008 and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri A.K. Mukherjee who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri G.D. Sarda who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint auditors and to fix their remuneration.

Registered Office :  
Kamptee Road,  
Nagpur 440 026

Date : 28.08.2008

By Order of the Board,

N.K.Sarda  
Joint Managing Director

**NOTES**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- 2) The Register of Members and Share Transfer Books of the company will remain closed from 29th September, 2008 to 30th September, 2008 (both days inclusive)
- 3) Members are requested to:
  - a) Intimate to the company the changes, if any, in their registered addresses along with Pin Code Number.
  - b) Quote their Follo Number.
- 4) Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all shareholdings into one folio.
- 5) A blank proxy form is sent herewith.
- 6) The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
- 7) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- 8) Members are requested to make all correspondence relating to share department at the following address :

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

**DIRECTORS' REPORT**

To the Members of SHARDA ISPAT LIMITED

Your Directors are pleased to present the 47<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2008.

**1. FINANCIAL RESULTS:**

	Rs.	Rs.
<b>SALES AND SERVICE CHARGES</b>		99,75,90,682/-
Gross Profit before interest, Depreciation, Taxation Provisions & other adjustments		9,65,68,307/-
Add / Less:		
Depreciation	(-) 93,07,698	
Interest	(-) 6,44,39,796	
Taxation Provision / Adjustment	(-) 1,33,670	
		(-)7,38,81,164
Net Profit After Taxation Provision		2,26,87,143/-
Add: Brought forward balance of P/L Account		(30,08,54,792/-)
Balance of loss carried to Balance Sheet		27,81,67,649/-

**2. REVIEW OF OPERATIONS :**

During the year under review the iron & steel market conditions were further improved as compared to the last year. The increased demand for steel and shortage of raw materials all over caused the increase in steel prices. The increase in sale prices was not however, resulted into increased profitability due to proportional increase in raw materials prices. Nevertheless, the Company witnessed an encouraging performance.

During the period, the production of rolled products and by products in own account where the sale value remains on higher side was increased by 17% and that of in conversion account was reduced by 16%. In fact, the Company posted sales turnover of Rs. 11389.72 Lacs (Own Unit : Rs 10307.72 Lacs & Conversion Services : Rs. 1082.00 Lacs) (69000 MT) as against Rs. 9457.87 Lacs (Own Unit : Rs. 8113.16 Lacs & Conversion Services Rs. 1344.70 Lacs) (71529 MT) during the previous year.

After providing Rs. 93.07 Lacs for depreciation and Rs. 644.40 Lacs against interest and further Rs. 1.28 Lacs for income tax, the Company earned net profit after tax of Rs. 226.87 Lacs as against net loss of Rs. 442.60 Lacs during the previous year.

**3. DIRECTORS :**

Shri A.K. Mukherjee and Shri G.D. Sarda retire by rotation and being eligible, offer themselves for re-appointment..

**4. FIXED DEPOSITS :**

The Company did not accept any fixed deposits during the year under review. No deposits were



outstanding as on 31.03.2008.

**5. AUDITORS' REPORT & AUDITORS :**

The Auditor's Report and its Annexures are self-explanatory. M/s Loya Bagri & Co. Chartered Accountants retire as statutory Auditors of the Company at the conclusion of 47th Annual General Meeting and are eligible for reappointment.

**6. LISTING OF SECURITIES :**

The Shares of the Company are presently listed at the stock exchanges namely Mumbai, Ahmedabad, Kolkata, and Pune. The Company has made the due payment of the listing fees to all Stock exchanges in respect of the financial year 2008-2009.

**7. PARTICULARS OF EMPLOYEES :**

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

**8. ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :**

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

**9. DIVIDEND :**

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

**10. CORPORATE GOVERNANCE :**

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

**11. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure.
- ii) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2008.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a 'going concern' basis;

**12. REFERENCE TO THE BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR) :**

The Company is a sick industrial Company under the Sick Industrial Companies (Special Provisions) Act, 1985. As per the directives of BIFR the Company has also done One Time Settlement with State Bank of India by making arrangement for payment in installments of their outstanding dues.

**13. ACKNOWLEDGEMENT:**

Your directors are grateful to various Government Departments, Banks, Financial Institutions and Business Associates for their continued co-operation and guidance extended to the Company during the year.

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

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 28th August , 2008

**J.K. SARDA**  
Managing Director

**N.K. Sarda**  
Jt. Managing Director

## ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY :

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

### B. TECHNOLOGY ABSORPTION : RESEARCH & DEVELOPMENT

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

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

- i. The company has not effected any import or export during the year ended 31.03.2008.
- ii. The inflow of foreign exchange is NIL
- iii. The outflow of foreign exchange is NIL

#### FORM 'A'

(See Rule 2)

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

		March 2008	March 2007
<b>D. Power and Fuel Consumption</b>			
1. Electricity			
a) Purchased : Units		9,470,590	10,202,979
Total Amount (Rs.)		5,10,60,600	4,61,81,232
Average Rate /Unit (Rs.)		5.391	4.526
b) Own Generation		NIL	NIL
2. Steam Coal :			
Quantity (Tonnes)		5,930	5,370
Total Cost (Rs.)		1,69,16,922	1,64,20,991
Average Rate /Tonne (Rs.)		2852.668	3057.913
3. Furnace Oil :			
Quantity (K. Ltrs.)		1,866	2026
Total Amount (Rs.)		4,00,79,367	38,568,640
Average Rate / K.Ltrs.(Rs.)		21,498.53	19,036.84
4. Other / Internal Generation		NIL	NIL
5. Consumption per MT of production (Standards if any)			
Products (with details) unit			
Rolled Iron & Steel (in MT)		---	---
Electricity (in Units)		69,006	71,530
Furnace Oil (Secondary Fuel) (in Ltrs.)		137.243	142.639
Coal (Steam Coal 'B' Grade) (in MT)		27.041	23.273
Excluding Shell & dust Other (Specify)		0.086	0.094
		NIL	NIL

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 28th August, 2008

(J.K. SARDA)  
Managing Director

N.K. Sarda  
Jt. Managing Director



## REPORT ON CORPORATE GOVERNANCE

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

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

#### A) Code of Conduct For Members of Board :

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

#### B) Code of Conduct For Senior Management Personnel :

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

## II. JOINT MANAGING DIRECTOR'S CERTIFICATION :

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

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

## III. BOARD OF DIRECTORS :

### A. Composition :

The Board of Directors of the Company is comprised of total 6 ( six ) Nos. Directors out of which 3 (Three) Nos. Directors are Non-executive and Independent one. The Chairman of the Board is a Executive Director. The presence of 3 Nos. Independent Directors on the Board as stated above is in conformity with the provisions of Corporate Governance.

Sr. No.	Name of the Directors	Designation
01.	Shri. J.K. Sarda	Managing Director
02.	Shri. N.K. Sarda	Jt. Managing Director
03.	Shri. G. D. Sarda	Whole Time Director
04.	Shri. H. K. Das	Non Executive & Independent Director
05.	Shri. A. K. Mukherjee	Non Executive & Independent Director
06.	Shri. J.C. Saboo	Non Executive & Independent Director

### B. Meetings & Attendance :

6 ( Six ) Meetings of Board of Directors were held during the financial year ended 31st March, 2008. These were held on :-

01.	30.04.2007	04.	17.08.2007
02.	29.06.2007	05.	31.10.2007
03.	31.07.2007	06.	31.01.2008

**Attendance :**

Sr.No.	Name of the Directors	Attendance at the Board Meeting	Attendance at the Last AGM
01.	Shri. J.K. Sarda	6	Yes
02.	Shri. N.K. Sarda	6	Yes
03.	Shri. G. D. Sarda	6	Yes
04.	Shri. H. K. Das	6	Yes
05.	Shri. A. K. Mukherjee	6	Yes
06.	Shri. J.C. Saboo	6	Yes

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

Sr.No.	Name of the Directors	No. of outside Directorship(s) Held	Chairman/ Member of other BOD/Board Committee
01.	Shri. J.K. Sarda	NIL	NIL
02.	Shri. N.K. Sarda	NIL	NIL
03.	Shri. G. D. Sarda	NIL	NIL
04.	Shri. H. K. Das	1	NIL
05.	Shri. A. K. Mukherjee	NIL	NIL
06.	Shri. J.C. Saboo	1	NIL

**D. Remuneration of Directors :**

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

Sr.No.	Name of the Directors	Salary including Perquisites (Refer Note 1)	Services Contract	Notice Period
01.	Shri. J.K. Sarda	Rs. 9,00,000/-	5 Years (Till 31.03.2012)	12 Months
02.	Shri. N.K. Sarda	Rs. 9,00,000/-	5 Years (Till 31.03.2012)	12 Months
03.	Shri. G. D. Sarda	Rs. 9,00,000/-	5 Years (Till 31.03.2012)	12 Months
04.	Shri. H. K. Das	NIL	NIL	NIL
05.	Shri. A. K. Mukherjee	NIL	NIL	NIL
06.	Shri. J.C. Saboo	NIL	NIL	NIL

**Note 1:**

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

**Note 2:**

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

**E. New Appointments and re-appointments:**

Shri. A.K. Mukherjee and Shri. G.D. Sarda are liable to retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

**IV. AUDIT COMMITTEE :**

Your Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 II (C) and (D) of the Listing Agreement. The Committee acts as a link between the management, the statutory auditors and internal auditors and the Board of Directors and oversees the financial reporting process. Presently, the composition of the Audit Committee which was originally constituted on 11th October, 2002 is as under :

**A. Composition :**

(1) Shri. A.K Mukherjee                      (2) Shri H. K. Das                      (3) Shri. J.C. Saboo

All the members of the Audit Committee are Non- Executive & independent directors. Shri A. K. Mukherjee having financial and accounting knowledge is the Chairman of the Committee.

**B. Meeting and Attendance :**

During the year under review, Four (4) meeting (s) were held on 30.04.2007, 31.07.2007, 31.10.2007, 31.01.2008.

Sr. No.	Name of the members (Directors)	Attendance
01.	Shri. A. K. Mukherjee	4
02.	Shri. H. K. Das	4
03.	Shri. J.C. Saboo	4

**C. Powers & Functions:**

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of the external auditors, fixation of audit fee and also approval for payment for any other services .
- Reviewing with management the quarterly, half yearly and annual financial statement before submission to the Board . Focussing Primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on the exercise of judgment by management , (iii) qualification in draft audit report , (iv) significant adjustments arising



out of audit , (v) the going concern concept , (vi) compliance with accounting standard (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions having conflict with the interest of the company at large.

- d. Reviewing with management, external and internal auditors, the adequacy and compliance of internal control system.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant finding and follow up there on.
- g. Discussion with external auditors regarding nature and scope of audit.
- h. Reviewing of Company's financial and risk management policies.

## V. REMUNERATION COMMITTEE :

In view of complying the provisions of the Companies Act, 1956 as regards to payment of remuneration to the Executive Directors of the Company, the Board of Directors of the Company has at their meeting held on 31.07.2006 approved the constitution of the Remuneration Committee with composition as under :

### Composition :

Shri H. K. Das	Independent Director	-	Chairman
Shri A. K. Mukherjee	Independent Director	-	Member
Shri J. C. Saboo	Independent Director	-	Member

### Terms of Reference :

- i) To frame policy as regards to specific remuneration packages for executive Directors.
- ii) To evaluate services of the executive Directors and decide on remuneration payable to them.
- iii) To review the remuneration packages from time to time.
- iv) To ensure that the remuneration being paid to executive Directors are in conformity with the legal provisions.

No meeting of the committee was held during the year.

## VI. SHARETRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE :

The Board of the Company has constituted a Shareholders' / Investors' Grievance Committee in Compliance with Clause 49 of the Listing Agreement. The Committee inter alia, approves the various aspects of Transfer / Transmission of Shares, consolidation / split of shares, issue of duplicate share certificates and other allied matters including redressal of Investors' complaints. The committee monitors the entire share transfer working, done in house in the Company and recommends measures for overall improvement in the quality of investor services.

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

Shri. H. K. Das, Shri. J. K. Sarda and Shri. N. K. Sarda

Except Shri. H. K. Das, who is a Non- Executive Director, the other members of the Shareholders / Investors Grievances committee are Executive Directors. Presently Shri. H. K. Das is the Chairman of the Share Transfer and Shareholders / Investors Grievances Committee and Shri. N. K. Sarda is acting as Compliance Officer of the Company.

### B. Meetings and Attendance :



## Meetings :

The Company has received no share transfer for registration. Hence no meeting of the committee was held during the year.

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

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

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

## VII. GENERAL BODY MEETINGS :

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

For the year ended	Date	Time	Venue
31.03.2007	29.09.2007	10.00 A.M.	Registered Office of the Company at Kamptee Road, Nagpur - 440026
31.03.2006	30.09.2006	10.00 A.M.	
31.03.2005	30.09.2005	10.00 A.M.	

## B. Resolution Passed By Postal Ballot :

No Special Resolution was put through Postal Ballot last year.

## VIII. OTHER DISCLOSURES :

During the period under review :

- i) there were no materially significant transactions with the related parties viz, promoters, Directors or the management, their Subsidiaries or relatives conflicting with the Company's interest.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to Capital markets.

## IX. MEANS OF COMMUNICATION :

The financial results (statements) in the prescribed proforma on Quarterly basis are being sent to the Stock Exchanges as per norms prescribed by the Listing Agreement. These are widely published in the leading newspapers having all India circulation.

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

## X. GENERAL SHAREHOLDERS INFORMATION :

- |                           |  |
|---------------------------|--|
| 1. Annual General Meeting | Tuesday , the 30th September , 2008<br>at 10 A.M at the Registered Office of the<br>Company at Kamptee Road , Nagpur |
| 2. Financial Calendar     | Refer Note 1   |
| 3. Book Closure Date      | 29th September, 2008 to  |

		30th September, 2008
4.	Dividend Payment Date	Not Applicable
5.	Listing of Shares & other Securities On Stock Exchanges	Refer Note 2
6.	Stock Code (s)	Refer Note 2
7.	Market Price Data	Refer Note 3
8.	Registrar and transfer Agents	N.A.
9.	Share Transfer and Investors' Grievances Redressal System	Refer Note 4
10.	Distribution of Shareholding	Refer Note 5
11.	Dematerialisation of Shares and Liquidity	Dematerialisation: Till date the Company has not gone for dematerialisation Liquidity through Trading at Four Stock Exchanges .
12.	Plant Locations	(a) Kamptee Road , Nagpur 440026 (Maharashtra) (b) T- 1/1 . Hingna Road MIDC. Nagpur 440016 (Maharashtra)
13.	Address of Correspondence	Registered Office : Kamptee Road, Nagpur 440026 (Maharashtra)

**Note 1: Financial Calendar for the Financial Year 2008-2009**

Financial Year Ending : 31st March, 2009

Unaudited Financial Result for the period of 3 months ended 30th June , 2008:  
Last week of July , 2008.

Annual General Meeting : Saturday , the 29th September , 2008 at 10 A.M.

Unaudited Financial Result for the period of 3 months ended 30th September, 2008:  
Last week of October , 2008

Unaudited Financial Results for the period of 3 months ended 31st December, 2008:  
Last week of January , 2009

Unaudited Financial Result for the period of 3 months ended 31st March, 2009:  
Last week of April , 2009.

**Note 2: Listing Information :**

The Company's Equity Shares are Listed on :

- |                                  |                         |
|----------------------------------|-------------------------|
| (a) The Stock Exchange , Mumbai  | (Stock Code No. 513548) |
| (b) The Stock Exchange , Kolkata | (Stock Code No. 029292) |
| (c) The Stock Exchange , Pune    | (Stock Code No. 13548)  |

(d) The Stock Exchange, Ahmedabad (Stock Code No. 52710)

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

MONTH	PRICE OF TRANSFER	
	HIGH	LOW
APRIL - 2007	---	---
MAY - 2007	---	---
JUNE - 2007	---	---
JULY - 2007	---	---
AUG - 2007	---	---
SEPT - 2007	---	---
OCT - 2007	---	---
NOV - 2007	---	---
DEC - 2007	---	---
JAN - 2008	---	---
FEB - 2008	---	---
MAR - 2008	---	---

During the year, there has been no trading in the share of the Company. Hence market prices are not given.

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

The Shareholders / Investor Grievances Committee approves and monitors the transfer and transmission of shares and allied matters. Till date the Company has not gone for Dematerialization and the shares are in physical form. As regards to execution of share transfer work the Company itself provide prompt & adequate services. Subject to receipt of valid documents complete in all respects. The Company is having adequate facility to respond and attend investors' grievances at the earliest.

**Note 5: Distribution of Shareholdings :**

Sr. No	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters' holding: - Indian Promoters - Foreign Promoters	4,61,920	10.87
2.	Persons acting in concert	26,52,820	62.42





3.	Non-promoters' holding		
	- Institutional Investors	Nil	Nil
	- Mutul Funds & UTI	Nil	Nil
	- Banks & Financial Institutions	Nil	Nil
	- Insurance Companies	Nil	Nil
4.	Others :		
	- Private Corporate Bodies	3,23,560	7.61
	- Indian Public	8,11,700	19.10
	- NRI/OCBs	Nil	Nil
	<b>GRAND TOTAL</b>	<b>42,50,000</b>	<b>100.00</b>

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 28th August, 2008

**(J.K. SARDA)**  
(Managing Director)

**(N.K. SARDA)**  
(Jt. Managing Director)



## CERTIFICATE

To,  
The Shareholders,  
Sharda Ispat Ltd.  
Nagpur

We have examined the compliance of condition of Corporate Governance by Sharda Ispat Ltd. for the year ended on 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For LOYA BAGRI & CO.,**  
Chartered Accountants

Nagpur,  
Dated the, 28th August, 2008

**(GOPAL DAS BAGRI)**  
Partner  
(M.No. 2933)

**AUDITORS'S REPORT**

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

- 1) We have audited the attached Balance Sheet of Sharda Ispat Ltd., Nagpur, as at 31st March, 2008, the Profit and Loss Account for the year ended on that date annexed thereto and also the Cash Flow Statement for the year ended on that date read with notes annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs '4' and '5' of the said order.
- 4) Attention is invited to the following :
  - a) Non provision and Non ascertainment of interest liability on Working Capital loan from Bank (Note No. 11(b) (ii) of Schedule 'S')
  - b) Non provision of interest liability on terms loans from Financial Institutions amounting to Rs. 5128.29 lakhs (Note No. 11(a) of Schedule 'S')
  - c) Non provision of interest liability on Working Capital loan from Bank amounting to Rs. 3103.98 lakhs (Note No. 11(b) (i) of Schedule 'S')
  - d) Balance of Sundry Debtors, Sundry Creditors and Loans and Advances and Deposits including Banks are subject to confirmation/reconciliation and consequential adjustments, if any (Note No. 19 of Schedule 'S')
- 5) The accumulated losses of the company exceed the net worth of the company which will further increase as per comments in paragraph 4 above. The accounts have, however been prepared by management on going concern basis as explained in Note No. 16 of Schedule 'S'. This being a technical matter, we are unable to express our opinion as to whether the company can now operate as a going concern.
- 6) In our opinion, subject to our comments vide Paragraph 4(a) to 4(c) above regarding non provision of Interest on working capital and term loans respectively, the Cash Flow Statement, the Profit & Loss Account and the Balance Sheet comply the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- 7) We further report that without considering our observations in paragraph 4 (a) & (d) and 5



above, the effect which is presently not ascertainable, had the observations made by us in paragraph 4(b) & 4(c) been considered the loss for the year would have been Rs. 869.90 lakhs (as against reported profit of Rs. 226.87 lakhs), accumulated losses would have been Rs 11013.94 lakhs (as against reported figures of Rs 2781.68 lakhs), secured loans would have been Rs. 10792.21 lakhs (as against reported figures of Rs. 2559.94 lakhs).

- 8) Subject to our comments in Paras 4,5,6 and 7 above, we report that :
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
  - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in confirmity with the accounting principles generally accepted in India :
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
    - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date.
    - (c) in the case of the cash flow statement, of cash flows for the year ended on that date.

**For LOYA BAGRI & CO.,**  
Chartered Accountants,

**(GOPAL DAS BAGRI)**  
Partner  
(M.No. 2933)

Nagpur, Dated the,  
28th August, 2008

**ANNEXURE TO AUDITORS'S REPORT OF SHARDA ISPAT LTD.**

(Referred to in Paragraph 3 of our Report of Even date on the Accounts as at 31st March, 2008.)

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for additions of the current year.
- (b) All the Assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification, as reported to us.
- (c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed off by the company during the year.
- ii) (a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register under section 301 of the Act. The provisions of (iii) (b), & (d) of paragraph 4 of the order are not applicable to the company.
- (b) The Company has taken unsecured loans from companies, Firms or other parties covered in the register maintained u / s. 301 of The Companies Act, 1956. The amount of Rs. 121.70 Lacs from one party has been taken.
- (c) The rate of interest and other terms and conditions of such unsecured loans taken by the company are, in our opinion, prima facie not prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of principal loans taken and interest thereon.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us and as per the records of the company, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year having been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of section 58-A and 58-AA or any other relevant provisions of the Companies Act, 1956 and rules made thereunder are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956, for the products of the company.
- ix) (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty and any other statutory dues which remained outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of Sales Tax and Excise duty as at 31st March, 2008, that have not been deposited on account of a dispute pending are as under :

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is pending
1.	Central Excise Act	Excise Duty	12,57,012	High Court, Delhi
2.	Central Excise Act	Excise Duty	10,55,280	High Court, Delhi
3.	Central Excise Act	Excise Duty	80,000	Customs, Excise and Service Tax Appellate Tribunal WZB, Mumbai
4.	Central Excise Act	Excise Duty	5,00,000	Commissioner of Central Excise (Appeals), Nagpur
5.	Central Excise Act	Excise Duty & Penalties	1,74,990	CEGAT, Mumbai (Appeal), Nagpur
6.	Central Excise Act	Excise Duty & Penalty	2,80,200	Customs, Excise and Service Tax Appellate Tribunal WZB, Mumbai
7.	Central Excise Act	Excise Duty	1,87,954	Customs, Excise and Service Tax Appellate Tribunal WZB, Mumbai
8.	Bombay Sales Tax Act	Sales Tax, Interest and Penalty	13,08,650	Dy. Commissioner of Sales Tax (Appeals), Nagpur
9.	Central Sales Tax Act	Sales Tax, Interest and Penalty	2,37,211	Dy. Commissioner of Sales Tax (Appeals), Nagpur

- x) The accumulated losses of the company at the end of the financial year, are not less than fifty percent of its worth. The company has not incurred cash loss during the current financial year but there was cash loss in the immediately preceding financial year.
- xi) In our opinion, and according to the information and explanations given to us, the company has defaulted in the repayments of dues to bank or Financial Institutions from time to time during the period April, 1997 to March, 2007 as detailed below :

Particulars	Amount of Loan	Interest provided for till 31/12/1999 and from 1/4/2006 to 14/09/2008	Interest not provided for (1.1.2000 to 31.3.2008)	Total (Rs.)
(a) Financial Institutions	9,58,27,370	3,81,72,809	51,28,28,512	64,68,28,691
(b) Bank	12,19,94,411	18,04,27,813	31,03,98,287	61,28,20,511
Total Rs.	21,78,21,781	21,86,00,622	82,32,26,799	1,25,96,49,202

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

**For LOYA BAGRI & CO.**  
Chartered Accountants

Nagpur, Dated the,  
28th August, 2008

**(GOPAL DAS BAGRI)**  
Partner  
(M. No. 2933)

**BALANCE SHEET AS AT 31ST MARCH 2008**

	SCHEDULE	MARCH - 2008 (Rs.)	MARCH - 2007 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	'A'	42,379,000	42,379,000
Reserve & Surplus	'B'	33,611,070	33,611,070
		<b>75,990,070</b>	<b>75,990,070</b>
<b>LOAN FUNDS</b>			
Secured Loans	'C'	255,994,590	255,993,611
Unsecured Loans	'D'	165,118,619	156,830,425
		<b>421,113,209</b>	<b>412,824,036</b>
	<b>Total</b>	<b>497,103,279</b>	<b>488,814,106</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	'E'	309,365,552	305,824,239
Less : Depreciation		201,909,053	192,601,355
Net Block		107,456,499	113,222,884
Add : Capital Work in Progress		-	1,779,950
		<b>107,456,499</b>	<b>115,002,834</b>
<b>CURRENT ASSETS LOANS AND ADVANCES</b>			
Current Assets	'F'	366,782,388	226,855,037
Loans & Advances	'G'	174,738,641	142,588,374
		<b>541,521,030</b>	<b>369,443,411</b>
Less : Current Liabilities & Provisions	'H'	430,041,899	296,486,931
		<b>111,479,131</b>	<b>72,956,480</b>
Profit & Loss Account		278,167,649	300,854,792
	<b>Total</b>	<b>497,103,279</b>	<b>488,814,106</b>
Accounting Policies, Contingent liabilities & Notes to the Accounts	'S'		

Schedule 'A' to 'H' and Schedule 'S' referred to above form an integral Part of the Balance sheet  
As per our report of even date.

For LOYA BAGRI & CO.  
Chartered Accountants

(GOPAL DAS BAGRI)  
Partner  
M. No. 2933

(J.K. SARDA)  
Managing Director

(N.K. SARDA)  
Jt. Managing Director

Nagpur, Dated the  
28th August, 2008



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	SCHEDULE	MARCH - 2008 (Rs.)	MARCH - 2007 (Rs.)
<b>INCOME</b>			
Sales & Service Charges	"I"	1,138,971,917	945,786,564
Less : Excise Duty		141,381,235	97,111,526
		997,590,682	848,675,038
Other Income	"J"	2,096,949	2,364,636
Closing Stock	"K"	93,216,205	56,994,525
	<b>Total</b>	<b>1,092,903,835</b>	<b>908,034,199</b>
<b>EXPENDITURE</b>			
Opening Stock	"L"	56,994,525	79,305,554
Purchases	"M"	--	55,680,753
Raw Material Consumed	"N"	743,541,253	509,571,634
Infra Transfer of Goods		662,157	--
Manufacturing Expenses	"O"	152,883,850	143,709,342
Salaries, Wages & Benefits to Employees'	"P"	17,376,931	11,813,627
Operating Expenses	"Q"	24,876,811	26,653,892
Interest Expenses	"R"	64,439,796	110,624,429
Depreciation		9,307,698	14,740,901
	<b>Total</b>	<b>1,070,083,022</b>	<b>952,100,132</b>
Profit / (Loss) for the Year		22,820,813	(44,065,933)
Less / Add : Prior year adjustments (Net)		7,500	67,987
Profit / (Loss) before taxation		22,813,313	(44,133,920)
Add : <b>Taxation Provision</b>			
Fringe Benefit Tax			
Current Year		128,000	115,500
Earlier years		(1,830)	11,009
Profit / (Loss) After Taxation		22,687,143	(44,260,429)
Add : Balance of Loss brought forward		(300,854,792)	(256,594,363)
Loss Carried to Balance Sheet		(278,167,649)	(300,854,792)
Earnings per Share		5.34	(10.41)

Accounting Policies, Contingent liabilities & Notes to the Accounts.

Schedules 'I' to 'S' referred to above form an integral part of the Profit & Loss Account.

As per our report of even date.

For LOYA BAGRI & CO.  
Chartered Accountants

(GOPAL DAS BAGRI)  
Partner  
M. No. 2933

Nagpur, Dated the  
28th August, 2008

(J.K. SARDA)  
Managing Director

(N.K. SARDA)  
Jt. Managing Director



## SCHEDULES FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	SCHEDULE	MARCH - 2008 (Rs.)	MARCH - 2007 (Rs.)
<b>SCHEDULE 'A'</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
50,00,000 Equity Shares of Rs. 10/- each		50,000,000	50,000,000
<b>Issued :</b>			
42,50,000 Equity Shares of Rs. 10/- each (Previous Year 42,50,000 Equity Shares)		42,500,000	42,500,000
<b>Subscribed and paid up :</b>			
42,50,000 Equity Shares of Rs. 10/- each Fully paid up		42,500,000	42,500,000
Less : Unpaid allotment Money other than Directors		121,000	121,000
		<b>42,379,000</b>	<b>42,379,000</b>
<b>NOTE :</b>	(Out of above 7,50,000 equity shares were issued as bonus shares by way of capitalisation of general reserve)	<b>7,500,000</b>	<b>7,500,000</b>
<b>SCHEDULE 'B'</b>			
<b>RESERVES &amp; SURPLUS :</b>			
A) Revaluation Reserve (Created by revaluation of Plant & Machinery) As per last Balance Sheet		332,070	332,070
B) Capital Reserve As per last Balance Sheet	(A)	332,070	332,070
	(B)	5,900,000	5,900,000
C) Securities Premium Account As per last Balance Sheet Less : Share Premium money unpaid.		27,500,000 121,000	27,500,000 121,000
	(C)	27,379,000	27,379,000
<b>Total (A to C)</b>		<b>33,611,070</b>	<b>33,611,070</b>



SCHEDULE MARCH - 2008 MARCH - 2007  
(Rs.) (Rs.)

**SCHEDULE 'C'  
SECURED LOANS :**

(i)	From Bank		
a)	Working Capital Loan (Secured against hypothecation of Finished Goods, Raw Materials, Book Debts & Advances to Suppliers & First Charge by way of Equitable Mortgage of Kamptee Road Properties, and Second Charge by way of Joint Mortgage of Hingna Road Properties.)	121,994,411	121,994,411
		<b>121,994,411</b>	<b>121,994,411</b>
(ii)	From Financial Institutions		
a)	Under Equipment Finance Scheme (Secured under loan agreement by an exclusive First Charge by way of hypothecation of all Movable Machineries, Machinery Spares Tools and Accessories acquired out of the proceeds of the Loan and First Charge by way of Joint Mortgage of Hingna Road Properties)	35,057,865	35,057,865
	Interest accrued and due	12,065,285	12,064,306
		<b>47,123,150</b>	<b>47,122,171</b>
b)	Other (Secured under common loan agreement by way of hypothecation of all Machineries, Machinery Parts, Spares, Tools, Other Movable and Accessories acquired out of the proceeds of the Loan and First Charge by way of Joint Mortgage of Hingna Road Properties)	60,769,505	60,769,505
	Interest accrued and due	26,107,524	26,107,524
		<b>86,877,029</b>	<b>86,877,029</b>
	(a + b)	<b>134,000,179</b>	<b>133,999,200</b>
	<b>Total (I + II)</b>	<b>255,994,590</b>	<b>255,993,611</b>
Notes	1) Amounts repayable within one year.	---	---
	2) Amounts due of loans on closing day.	95,827,370	95,827,370



SCHEDULE MARCH - 2008 MARCH - 2007  
(Rs.) (Rs.)

## SCHEDULE 'D'

### UNSECURED LOANS AND ADVANCES :

A) From SICOM			
i) Special Capital Incentives		5,000,000	5,000,000
ii) Sales Tax Deferral			
Sales Tax deferral under package scheme of Incentive 1988, of Govt. of Maharashtra (Refer. Note no 15 of Schedule 'S')		7,308,582	6,338,301
	(A)	12,308,582	11,338,301
B) Interest Free Loan			
From Corporate Sector		46,942,026	48,224,590
From Others		24,740,253	18,119,603
	(B)	71,682,280	66,344,193
C) Interest bearing Loan			
From Corporate Sector		81,127,757	76,606,170
From Others		--	2,500,000
	(C)	81,127,757	79,106,170
D) Loan against Vehicle, Corporate			
		--	41,761
	(D)	--	41,761
	Total (A+B+C+D)	165,118,619	156,830,425

Notes : 1) Special Capital Incentive received in 2007 amounting to Rs. 50,00,000/- as grant under package scheme of Incentives, 1988.

2) Amount payable within one year (Vehicle Loan)

3) Amount due on closing day (MIDC Incentive)

--	41,761
---	37,931

## SCHEDULE 'E'

Schedule of fixed assets as at 31st March 2008

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.
					Up to Last Year Rs.	Adjustment Rs.	For the Year Rs.	Total Up to Closing Date Rs.		
Land (Free Hold)	484,613	-	-	484,613	-	-	-	-	484,613	484,613
Land (Lease Hold)	1,605,831	-	-	1,605,831	-	-	-	-	1,605,831	1,605,831
Buildings	40,186,744	-	-	40,186,744	16,248,808	-	1,280,754	17,509,560	22,677,184	23,937,938
Plant & Machinery	257,578,398	2,805,371	-	260,663,769	172,718,909	-	7,713,929	180,432,838	80,230,932	85,039,489
Furniture & Fixtures	1,042,874	6,188	-	1,049,062	848,709	-	27,201	875,910	173,152	194,185
Office Equipments	2,041,887	193,114	-	2,235,001	893,494	-	96,858	990,150	1,244,851	1,148,393
Vehicles	555,063	-	-	555,063	220,437	-	47,341	267,778	287,258	334,626
Computers	2,148,829	478,240	39,800	2,585,469	1,871,000	-	161,817	1,832,817	752,852	477,829
<b>Total</b>	<b>303,197,490</b>	<b>3,500,913</b>	<b>39,800</b>	<b>307,365,552</b>	<b>177,840,455</b>	<b>-</b>	<b>14,740,901</b>	<b>192,601,355</b>	<b>113,222,884</b>	<b>125,937,036</b>
Previous Year	303,197,490	2,628,749	-	305,824,239	177,840,455	-	14,740,901	192,601,355	113,222,884	125,937,036

**MARCH - 2008**  
(Rs.)

**MARCH - 2007**  
(Rs.)

## SCHEDULE 'F'

### CURRENT ASSETS LOANS & ADVANCES :

#### A) CURRENT ASSETS :

##### i) Stocks :

(As taken, valued & certified by Management)

Manufactured Goods	93,216,205	56,994,525
Raw Material	108,407,237	43,698,113
Stores & Fuel	13,392,296	9,528,223
<b>Total</b>	<b>215,015,738</b>	<b>110,220,861</b>

##### ii) Sundry Debtors :

(Unsecured but considered good)

Exceeding Six Months	4,499,536	3,810,656
Others	138,938,995	104,641,966
<b>Total</b>	<b>143,438,531</b>	<b>108,452,622</b>

##### iii) Cash & Bank Balances :

Cash-in-hand	186,444	125,414
Balance with Scheduled Banks on current Accounts	3,258,331	188,470
Balance with Scheduled Bank as No lien Account	-	1,632,530
Fixed Deposits with Scheduled Banks	4,883,343	6,235,140
<b>Total</b>	<b>83,28,119</b>	<b>8,181,554</b>
<b>Total</b>	<b>366,782,388</b>	<b>226,855,037</b>

Note : 1) Out of above, suits have been filed against debtors (Exceeding six months)

3,139,326      3,139,326

2) Fixed deposit with scheduled bank submitted with court for above cases in (1)

400,000      400,000

	MARCH - 2008 (Rs.)	MARCH - 2007 (Rs.)
<b>SCHEDULE 'G'</b>		
<b>B) LOANS &amp; ADVANCES :</b>		
(Unsecured but considered good)		
(Advances Recoverable in Cash or in Kind or for value to be received or Pending adjustments)		
Other Advances	145,399,219	76,287,141
Deposits	29,339,422	66,301,233
	<b>174,738,641</b>	<b>142,588,374</b>
<b>SCHEDULE 'H'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>A) Current Liabilities :</b>		
Sundry Creditors	164,903,334	82,350,854
Other Liabilities	258,969,796	209,347,292
	<b>423,873,130</b>	<b>291,698,086</b>
<b>B) Provisions :</b>		
For Gratuity	5,558,031	4,201,020
For leave Encashment	482,738	472,925
For Fringe Benefit Tax	128,000	115,500
	<b>6,168,769</b>	<b>4,788,845</b>
<b>Total (A + B)</b>	<b>430,041,899</b>	<b>296,486,931</b>

MARCH - 2008  
(Rs.)

MARCH - 2007  
(Rs.)

## SCHEDULE 'I'

### SALES & SERVICE CHARGES

i)	Sales :		
	a) Iron & Steel	1,007,206,291	751,667,364
	Manufactured Goods	—	57,921,193
	Iron Goods	23,514,771	1,527,339
	Raw material (Unusable)	50,790	200,231
	b) Misc. Stores & Others		
ii)	Service Charges :	1,08,200,065	134,470,437
	Conversion Charges (Gross)		
	(TDS Rs. 5,82,892/-, Previous year Rs. 2,33,469/-)		
		1,138,971,917	945,786,564

## SCHEDULE 'J'

### OTHER INCOME :

Interest Received (Gross)	906,726	863,485
(TDS Rs. 91,874/-, Previous year Rs. 1,84,495/-)		
Rent received	37,749	40,284
Insurance Claim Received	109,377	700,285
Sales Tax Adjustments	--	13,595
Liabilities no longer payable	--	34,201
Others	1,043,097	712,786
	2,096,949	2,364,636

## SCHEDULE 'K'

### CLOSING STOCK :

Manufactured Goods	93,216,205	56,994,525
	93,216,205	56,994,525

## SCHEDULE 'L'

### OPENING STOCK :

Manufactured Goods	56,994,525	79,305,554
	56,994,525	79,305,554

## SCHEDULE 'M'

### PURCHASES :

Iron & Steel	--	55,680,753
	--	55,680,753

## SCHEDULE 'N'

MARCH - 2008  
(Rs.)

MARCH - 2007  
(Rs.)

### RAW MATERIAL CONSUMED :

(Including for Re-sales)

Opening Stock	43,698,113	31,500,150
Add : Purchases & Expenses	793,927,917	512,337,521
Transfer from other accounts	14,322,460	9,432,076
	<b>851,948,490</b>	<b>553,269,747</b>
Less : Closing Stock	108,407,237	43,698,113
Consumed	<b>743,541,253</b>	<b>509,571,634</b>

## SCHEDULE 'O'

### MANUFACTURING EXPENSES :

Goods Expenses	18,490,993	18,725,902
Power and Fuel	108,056,889	100,199,136
Stores Consumption	6,071,122	9,167,768
Repairs & Maintenance :		
Plant & Machinery	11,108,189	10,969,777
Building	1,325,138	1,852,983
	<b>12,433,327</b>	<b>12,822,760</b>
Conversion Charges paid to others	406,980	50,240
Factory Insurance	268,839	336,751
Other Expenses	1,628,485	1,581,779
Lease Rent Paid	302,705	673,023
Excise duty on finished goods stock (Net)	5,224,510	151,983
	<b>152,883,850</b>	<b>143,709,342</b>

## SCHEDULE 'P'

### SALARIES, WAGES & BENEFITS TO EMPLOYEES' :

Salary, Wages, Bonus and Allowances	15,840,031	10,250,807
Contribution to P.F. and Other Funds	613,271	515,799
Workmen and Staff Welfare Expenses	923,630	1,047,021
	<b>17,376,931</b>	<b>11,813,627</b>



**MARCH - 2008  
(Rs.)****MARCH - 2007  
(Rs.)****SCHEDULE 'Q'****OPERATING EXPENSES :**

Sales Tax (Including Earlier Years)	213,447	2,765,986
Excise Duty other than collected	618,098	1,473,079
Rates and Taxes	120,204	127,173
Service Tax	511,953	512,210
Rent	171,518	24,638
Commission on Sales	175,240	1,242,256
Charities and Donation	5,000	251
Outward Transportation & Others	15,909,702	9,973,134
Bank Commission & Other Charges	167,864	593,667
Miscellaneous & Administrative Expenses	5,412,476	7,936,845
Provision for Sales Tax Deferral	970,281	1,089,190
F.G. Outside Handling Charges	390,909	784,343

**Payments to Auditors :**

Audit Fees	80,562	63,672
Tax Audit Fees	73,090	31,836
Other Services	56,467	35,612

**210,119****131,120****24,876,811****26,653,892****SCHEDULE 'R'****INTEREST EXPENSES :**

On Term Loans	1,031	839
Others	64,438,765	110,623,590
	<b>64,439,796</b>	<b>110,624,429</b>



## SCHEDULE - 'S' :

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

### I. SIGNIFICANT ACCOUNTING POLICIES :

#### 1. General :

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

#### 2. The Method of Accounting :

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

#### 3. Fixed Assets :

Fixed Assets are stated at cost less depreciation except part of Plant & Machinery which is stated at revaluation price less depreciation. Interest on borrowings used during the period of construction is added to the cost of Fixed Assets. Cost includes purchase price, freight cost, installation cost and finance cost.

#### 4. Depreciation :

Depreciation has been provided on straight line basis as under :

##### a. Till 31st March 1993 :

- i) On the fixed assets acquired upto 7.4.87 (Ramnavami 1987) at the rates corresponding to the rates applicable under Income Tax Rules in the force at the time of acquisition / purchase / installation of assets pursuant to the Circular No. 1/86 dated 21.5.1986 issued by the Department of Company Affairs in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956.
- ii) On the fixed assets acquired after 7.4.87, at the rates as prescribed in Schedule XIV of the Companies Act, 1956.

##### b. After 31st March, 1993 :

On all the fixed assets at the new rates as amended by the Notification No. GSR 756(e) dated 16.12.1993 read with Circular No. 14 dated 20.12.1993 issued by the Department of Company Affairs.

- c. For addition / deletion / sales, depreciation has been charged at the applicable rates on pro-rata basis.

#### 5. Inventory Valuation :

Raw Material, Stores and Spares are valued at cost. Iron Goods and Manufactured Goods are valued at lower of cost and net realisable value.

#### 6. Sales Tax/Service Tax :

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

7. **Sales :**

Sales are inclusive of Excise Duty and net of Sales Tax & Discounts.

8. **Intra and Inter Unit Transfers :**

Intra and Inter Unit transfers of goods for Sale and Captive consumption being raw material and others are shown as contra items in the Profit & Loss Account to reflect the true economic value of the Unit. Any unrealized profit on unsold stock is ignored while valuing inventories. The accounting treatment has no impact on the Profit of the Company.

9. **Retirement Benefits etc :**

- a] The Company makes regular contribution to Provident Fund and charge it to the Profit & Loss Account.
- b] The liabilities of Gratuity and Unavailed Leave are estimated at the year end and have been charged to the Profit & Loss Account.

II. **CONTINGENT LIABILITIES :**

10. **Contingent liabilities not provided for are in respect of :**

	March 08	March 07
i) Letter of Bank guarantee	3,85,600	3,85,600
ii) Claims not acknowledged as debts by the Company on account of :		
a) Labour Cases	13,48,898	13,74,704
b) Interest on unpaid Lease Rent	733,185	733,185
c) Various claims made by customers	1,165	1,165
d) Gram Panchayat Tax	551,206	449,282
iii) Sales Tax matters under appeals for which the Company denies liability.	19,40,861	19,40,861
iv) Excise Duty matters under appeals for which the Company denies liability.	35,60,436	35,60,436

III. **NOTES TO THE ACCOUNTS :**

**Non Provision of Liabilities :**

11. **The Company has not been provided for interest:**

	March 2008 (Rs.)	March 2007 (Rs.)
a) On Term Loans from Financial Institutions since 1.1.2000 to 31.3.2008.		
For the Year	10,96,77,230	8,48,83,218
Cumulative till 31.03.2008	51,28,28,512	40,31,51,282

	March 2008 (Rs.)	March 2007 (Rs.)
b) i) On Working Capital from Bank since 01.01.2000 to 31.3.2006 For the Year Cumulative till 31.03.2008	Nil 31,03,98,287	Nil 31,03,98,287
ii) On Working Capital from Bank from 15.09.2007 to 31.03.08 On receipt of communication for settlement with bankers	Unascertainable	Not Applicable

**12. Secured Loans :**

Shri J.K. Sarda, Shri. N.K. Sarda, Shri Ghanshyam Sarda and Shri A. Mukherjee, Directors have executed personal guarantees in favour of State Bank of India, Industrial Finance Branch, Nagpur and Financial Institutions, i.e. IDBI and IFCI for the amounts advanced. The Directors of the company have also pledged their equity shares held in company to the aforesaid financial institutions for advance under common loan agreement.

13. The Company has agreed to purchase 4.98 acres of Land on terms and conditions that the principal amount shall be paid along with 11% interest per annum. Out of the above land agreed to be purchased, 2.48 acres of Land has yet to be registered in the name of the Company (for value of Rs. 1,86,750/-). The value of the land shall be adjusted in the fixed assets at the time of execution of sale-deed. Company has advanced to the Seller an amount of Rs. 1,49,400/- till 31st March, 2007 but no provision for interest has been made.

14. The identification of suppliers as Small Scale Industrial Undertakings has been done on the basis of the information available with the company.

	March 2008	March 2007
a) Sundry Creditors includes total outstanding dues of Small Scale Industrial Undertakings.	262,515	263,133
b) The names of the Small Scale Industrial Undertakings to whom the amounts are due for more than 30 days. Aditya Air Products Pvt. Ltd. (This information has been determined on the basis of information available with the company)	85,889	95,461

15. The company is entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) for a period of 10 years and is liable to pay the same in five annual equal installments thereafter in respect of its one unit at Kamptee Road. The liability under the Package Scheme of Incentive, 1988 as on 31st March, 2008 is Rs. 12,447,153/- (previous year Rs. 12,447,153/-) which is provided for on the basis of its net present value of Rs. 73,08,582/- (previous year Rs.63,38,301/-)

16. The company had incurred substantial losses since past few years and has been registered as a Sick Industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The matter was remanded back by Appellate Authority under The Sick



Industrial Companies (Special Provisions) Act, 1985 to Board. The proceedings before Board are in progress.

The accounts have been prepared on going concern basis as the Company is taking all measures practicable in the circumstances and efforts are on towards continuity of the company and revival of its operations. Further, the company is carrying on manufacturing activities at all the units.

**17. Segment Reporting :**

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

**18. Deferred Tax :**

In accordance with Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has not accounted for deferred taxes. The Company has significant amount of carried forward losses and unabsorbed depreciation under Income Tax Act and there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

19. Letters of confirmation of balances have not been received from Sundry Creditors, Sundry Debtors and Persons from whom advances & deposits have been received or to whom advances and deposits have been given including balances with the bankers of the Company in Fixed Deposit Receipts and Non-Lien Accounts etc.

20. Previous year's figures have been regrouped wherever necessary.

21. The following expenses are related to earlier years & debited to the following heads & shown as Prior Year Adjustments in the Profit & Loss Accounts.

	March 2008	March 2007
i) Reparis & Maintenance - Other Fixed Assets	1,500	---
ii) Fees & Subscription	6,000	---
iii) Commission of Sales	---	40,482
iv) Goods Expenses	---	23,474
v) Bank Commission & Other Charges	---	1,026
vi) Misc. & Administrative Charges	---	3,005

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

**23. Managerial Remuneration :**

a) The company has been advised that the computation of the net profit for the purpose of calculation of Director's remuneration u/s.349 of the Companies Act 1956, need not be enumerated since no commission has been paid to the Directors and only minimum remuneration has been paid as per Provisions of Schedule-IX of the Companies Act, 1956.

b) Remuneration to Managing Director, Jt. Managing Director and Whole time Director is as under :

	March 2008	March 2007
Salaries & Allowances	27,00,000	280,000
Perquisites	---	160,865
Contribution to Provident Fund	23,400	20,000
<b>Rs.</b>	<b>27,23,400</b>	<b>460,865</b>

**24. Earning per Share :**

Profit/(Loss) for the year	2,26,87,143	(4,42,60,429)
No. of Equity Shares	42,50,000	42,50,000
Basic and Diluted		
Earning per Share (Rs.)	5.34	(2.12)
Nominal Value of per Equity Share (Rs.)	10	10

**25. Related Party Disclosures :**

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

(a) Relationships :

(i) Associates

M/s Sharda Dharamkanta.

(ii) Key Management Personnel

Shri J.K. Sarda

Managing Director

Shri N.K. Sarda

Joint Managing Director

Shri Ghanshyam Sarda

Director (Whole Time)

(b) Nature of transaction

	Associates	Key Management Personnel	Total
Purchase of Services	5,19,874	---	5,19,874
	(3,72,718)	---	(3,72,718)
Remuneration	---	27,23,400	27,23,400
	---	(4,60,865)	(4,60,865)
Rent Received	4,200	---	4,200
	(4,200)	---	(4,200)
Loans Repaid	---	55,49,350	55,49,350
	(11,00,000)	(83,85,111)	(94,85,111)
Loan Received	---	1,21,70,000	1,21,70,000
	(-)	(30,00,000)	(30,00,000)
<b><u>Balance Outstanding at year end :</u></b>			
Outstanding payable	61,28,922	1,56,39,650	2,17,68,572
	(59,04,200)	(90,19,000)	(1,49,23,200)

**Notes:** (1) The Figures in the brackets are related with the previous year.

(2) The above information has been determined to the extent such parties have been identified on the basis of information provided by the company which has been relied upon by the auditors.

**26. Licenced / Installed Capacities (In M.T.):**

**Iron & Steel (Rolled Products)**

	<u>Licenced</u>	<u>Installed</u>
Kamptee Road Unit	1,00,000	1,00,000
Hingna Road Unit	1,00,000	50,000

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

	<u>March 2008</u>	<u>March 2007</u>
<b>27. Quantitative Details are as under :</b>		
<b>(i) Iron &amp; Steel (In M.T.)</b>		
Opening Stock	Nil	Nil
Closing Stock	Nil	Nil
Purchases	Nil	2,102
Sales	Nil	2,102
<b>(ii) Production (In M.T.):</b>		
Rolled Products & By Products:		
In Own Units	68,914	71,529
	92	---
	69,006	71,529
Own Account	30,910	26,349
On Conversion Account	38,096	45,108
	69,006	71,529
<b>(iii) Rolled Products &amp; By Products (In M.T.):</b>		
Opening stock	2,259	3,765
Closing stock	2,834	2,259
Production	30,910	26,349
Sales	30,356	27,855
Intra Transfer	21	---
<b>Note :</b> Sales includes transfer for own consumption	668	480
<b>(iv) By-products which have been included in above : (In M.T.)</b>		
Opening Stock	621	795
Closing Stock	168	621
Production	778	922
Sales	1238	1096
Intra Transfer	7	---
<b>Note :</b> Sales includes transfer for own consumption	583	480
<b>(v) Raw Material Consumed (In M.T.):</b>		
In Production	31,910	27,059
In Sales	950	73
<b>28. Additional information as required under Part-IV of Schedule VI of the Companies Act, 1956.</b>		



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

### I. REGISTRATION DETAILS :

REGISTRATION NO. : 11-11830 STATE CODE : 11  
BALANCE SHEET DATE : 31-03-2008

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

PUBLIC ISSUE : NIL RIGHT ISSUE : NIL  
BONUS ISSUE : NIL PRIVATE PLACEMENT : NIL

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

TOTAL LIABILITIES	4,97,103	TOTAL ASSETS	4,97,103
<b>SOURCES OF FUNDS :</b>			
PAID UP CAPITAL	42,379	RESERVES & SURPLUS	33,611
SECURED LOANS	2,55,994	UNSECURED LOANS	1,65,119
<b>APPLICATION OF FUNDS :</b>			
NET FIXED ASSETS	1,07,456	INVESTMENTS	NIL
NET CURRENT ASSETS	1,11,479	MISC. EXPENDITURE	NIL
ACCUMULATED LOSSES	2,78,168		

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

TURNOVER	11,38,972	TOTAL EXPENDITURE	11,18,256
LOSS BEFORE TAX	22,813	LOSS AFTER TAX	22,687
EARNING PER SHARE (IN RS.)	5.34	DIVIDEND	NIL

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

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

**Note:** Classification of Products under ITC Code being of a Technical Nature, is not verified by the Auditors.

**Signature to Schedules 'A' to 'S'**

As per our report of even date.

**For LOYA BAGRI & CO.,**  
Chartered Accountants

**(GOPAL DAS BAGRI)**  
Partner  
M.No.2933

**(J.K. SARDA)**  
Managing Director

**(N.K. SARDA)**  
Jt. Managing Director

Nagpur, Dated the,  
28th August, 2008



## Cash Flow Statement for the year ended 31st March, 2008

(Pursuant to amendment to clause 32 of the Listing Agreement)

	(Rs. in lacs)	
	March, 2008	March, 2007
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) before taxation	228.13	(441.34)
<b>ADJUSTMENTS FOR</b>		
Depreciation	93.08	147.41
Sales Tax Deferred	9.70	10.89
Interest Expenses	644.40	1106.25
Interest Income	(9.07)	(8.63)
	<b>738.11</b>	<b>1255.92</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>966.24</b>	<b>814.58</b>
Trade & Other receivable	(667.07)	(848.33)
Inventories	(1047.95)	116.47
Trade & Other Payable	1334.27	511.82
	<b>(380.75)</b>	<b>(220.04)</b>
<b>CASH GENERATED FROM OPERATIONS :</b>	<b>585.49</b>	<b>(594.54)</b>
Income Tax paid (Net of Refunds)	(4.27)	(2.99)
<b>Net Cash / (Used in) from Operating Activities</b>	<b>581.22</b>	<b>(591.55)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(17.61)	(44.07)
Interest Received	9.07	8.63
<b>Net Cash / (Used in) from Investing Activities</b>	<b>(8.54)</b>	<b>(35.44)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Expenses	(644.40)	(1106.25)
Proceeds of Long Term Borrowings	0.01	0.01
Net Receipts of Short Term Borrowings	73.18	551.47
<b>Net Cash / (used in) from Financing Activities</b>	<b>(571.21)</b>	<b>(554.77)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1.47</b>	<b>1.34</b>
Cash and Cash Equivalents (Opening Balance)	81.81	80.47
Cash and Cash Equivalents (Closing Balance)	83.28	83.28

### NOTES :

- Cash Flow Statement has been prepared following the indirect method except in case of Interest paid / received, Taxes paid / refund received, funds borrowed / repaid which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.



2. Cash and Cash equivalents consist of cash, cheques in hand, balances with banks including fixed deposit receipts under lien and remittances in transit.
3. Previous year's figures have been regrouped whenever necessary.

As per our report of even date

**For Loya Bagri & Co.**  
Chartered Accountants

**(Gopal Das Bagri)**  
Partner

For & on behalf of the Board of Directors

**(J.K.SARDA)**  
Managing Director

**(N.K. SARDA)**  
Jt. Managing Director

Nagpur, Dated the  
28th August, 2008

### **Auditor's Certificate**

To,  
The Board of Directors,  
Sharda Ispat Ltd.,  
Kamptee Road,  
Nagpur - 440 026

We have examined the attached Cash flow statement of the Sharda Ispat Limited, Nagpur, for the year ended 31st March, 2008. The statement have been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

**For LOYA BAGRI & CO.**  
Chartered Accountants

**(GOPAL DAS BAGRI)**  
Partner  
(M.No. 2933)

Nagpur, dated the,  
28th August, 2008

Registered Office : Kamptee Road, Nagpur 440026

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the meeting hall

I hereby record my presence at the 47<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2008

Signature :

Folio No. :

Name of Shareholder :

**SHARDA ISPAT LIMITED**

Registered Office : Kamptee Road, Nagpur 440026

**Proxy Form**

I/We of \_\_\_\_\_ in \_\_\_\_\_

the District of \_\_\_\_\_ being a member / members of

SHARDA ISPAT LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him / her of \_\_\_\_\_

in the District of \_\_\_\_\_ as my / our proxy to vote for me / us on my / c

behalf at the Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2008.

Signature : \_\_\_\_\_

(Affix Re. 1/- Revenue Stamp)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Folio No. : \_\_\_\_\_

No. of shares held : \_\_\_\_\_

**Note :** The form duly completed should be deposited at the registered office of the Company at Kamptee Road, Nagpur 440 026, not later than 48 hours before the time of the meeting.

**BOOK-POST**  
**(PRINTED MATERIAL)**

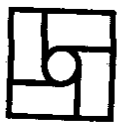
To,

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If undelivered please return to :



**Sharda Ispat Limited**

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