

# SHARDA ISPAT LIMITED

## BOARD OF DIRECTORS

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

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

**INTERNAL AUDITOR** : M.M.Jain  
Chartered Accountants,  
Kingsway , Nagpur – 440001

**BANKERS** : STATE BANK OF INDIA

**REGISTERED OFFICE** : Kamptee. Road, Nagpur – 440026

**PLANT** : Kamptee Road, Nagpur – 440026

**ADDRESS FOR CORRESPONDENCE TO SHARE DEPARTMENT** : M/s Adroit Corporate Services Pvt. Ltd  
19/20, Jaferbhoy Industrial Estate, Makwana Road,  
Marol Naka, Marol, Andheri (E)  
Mumbai 400 059

## **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 49th Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Thursday , the 30th day of September, 2010 at 10.00 a.m at the Registered Office of the Company at Kamptee Road, Nagpur – 440 026 to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Revised Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009 and the Reports of the Directors and Auditors thereon.
- 2) To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010 and the Reports of the Directors and Auditors thereon.
- 3) To appoint a Director in place of Shri H. K. Dass who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) 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.
- 5) To appoint auditors and to fix their remuneration.

### **SPECIAL BUSINESS:**

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

“ Resolved that Shri. R P Mohanka who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 01.11.2009 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri. R P Mohanka as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”

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

“ Resolved that Smt. Poonam Sarda who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 21.01.2010 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Smt. Poonam Sarda as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”

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

“ Resolved that Shri. Ramesh Mantri S/o Late Shri. Manaklalji Mantri who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 21.01.2010 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri. Ramesh Mantri as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”

Registered Office :  
Kamptee Road,  
Nagpur 440026

By Order of the Board,



N.K.Sarda

Date : 24.08.2010

Chairman & 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, 2010 to 30th September, 2010 (both days inclusive)
- 3) Member are requested to:
  - a) Intimate to the company changes, if any, in their registered addresses along with **Pin Code Number.**
  - b) Quote their **Folio Number.**
- 4) Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all shareholdings into one folio.
- 5) A blank proxy form is sent herewith.
- 6) The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting .
- 7) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting .

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

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**

19/20, Jaferbhoy Industrial Estate, Makwana Road,

Marol Naka, Marol, Andheri (E)

Mumbai 400 059

---

## **EXPLANATORY STATEMENT**

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

### **Item No. 7:**

The Board of Directors of the Company at their meeting held on 01.11.2009 appointed Shri. R P Mohanka as additional director of the Company effective from 01.11.2009. As such he holds the office of Director upto the date of annual general meeting. Appreciating the qualification and experience possessed by Shri. R P Mohanka the Board has decided to continue him on the Board of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Shri R P Mohanka for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director.

The Directors therefore recommend that the resolution be passed.

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

### **Item No.8:**

The Board of Directors of the Company at their meeting held on 21.01.2010 appointed Smt. Poonam Sarda as additional director of the Company effective from 21.01.2010. As such she holds the office of Director upto the date of annual general meeting. The Board of Directors of the company thought that her continuation on the Board of the Company would be of immense help to the Company and therefore decided to regularize her as Director of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Smt. Poonam Sarda for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director..

The Directors therefore recommend that the resolution be passed.

Shri. N.K Sarda, Shri. J.K. Sarda and Shri Ghanshyam Sarda are interested in the said resolution.

**Item No.9:**

The Board of Directors of the Company at their meeting held on 21.01.2010 appointed Shri Ramesh Mantri as additional director of the Company effective from 21.01.2010. As such he holds the office of Director upto the date of annual general meeting. The Board of Directors of the company thought that his presence on the Board of the Company would go a long way in benefiting the Company and therefore decided to appoint him as Director of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Shri. Ramesh Mantri for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director..

The Directors therefore recommend that the resolution be passed.

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

Registered Office :  
Kamptee Road,  
Nagpur 440026

Date : 24.08.2010

By Order of the Board,



N.K.Sarda  
Chairman & Managing Director

## **DIRECTORS' REPORT**

To the Members of SHARDA ISPAT LIMITED

Your Directors are pleased to present the 49<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010:

### **1. REHABILITATION SCHEME & FINANCIAL RESULTS :**

At the outset your Directors would like to inform that as already reported, the Company was referred to the Board For Industrial and Financial Reconstruction (BIFR) as a sick company for its revival and rehabilitation. With due consideration of the application and the representations made by the Company in that behalf the Hon'ble BIFR has made an order on 21.01.2010 where under the Bench sanctioned the Rehabilitation Scheme (i.e. Sanctioned Scheme) with Demerger Scheme being part of it with cut off date 31.03.2008

Under the said Scheme the 2 Nos. Units of the Company i.e. Old Unit situated at Kamptee Road, Nagpur & Unit situated at Hingna, Nagpur, are demerged and the third Unit i.e. New Unit situated at Kamptee Road Nagpur is retained by the Company.

Accordingly, effective from the appointed date 01.04.2008 the assets and liabilities of the said Demerged Units are transferred to the Resultant Companies as under :

**Old Unit at Kamptee Road, Nagpur transferred to Sharda Ispat Industries Limited**

**Hingna Unit at Hingna, Nagpur transferred to Sarda Ispat Limited**

And the assets and liabilities of the New Unit at Kamptee Road, Nagpur are remained with the Company.

In fact the Company has been preparing a single Balance Sheet for all the three units till 31.03.2009. However, the Hon'ble BIFR Order provides for the demerger of the Units of the Company effective from the appointed date 01.04.2008. Hence the Balance Sheet of the Company as on 31.03.2009 prepared for all the three units, as already approved by the Board on 17.08.2009 and adopted by the Company at the AGM held on 30.09.2009, has been revised and as a result the Revised Balance Sheet of the Company as on 31.03.2009 and the Balance Sheet as on 31.03.2010 states the assets and liabilities pertaining to the New Unit at Kamptee Road, Nagpur only. Resultantly the financial results of the Company for the financial year under review are as under:

**FINANCIAL RESULTS:**

	Rs.	Rs.
<b>SALES AND SERVICE CHARGES</b>		<b>29,22,30,571</b>
<b>Profit before interest, depreciation, tax &amp; Extra Ordinary Items</b>		<b>1,85,25,148</b>
Add: Extra Ordinary Items		Nil
Profit after Extra Ordinary Items		1,85,25,148
Less: Prior year adjustment (Net)		70,645
<b>Profit before tax</b>		<b>1,84,54,503</b>
<b>Less:</b>		
Depreciation	67,39,706	
Interest	46,34,874	
Taxation	11,00,000	
	-----	1,24,74,580
<b>Net profit after tax</b>		<b>59,79,923</b>
Add : Brought forward balances		(3,30,70,800)
<b>Balance carried to Balance Sheet</b>		<b>(2,70,90,877)</b>

**2. REVIEW OF OPERATIONS :**

The year under review witnessed a rising trend in the steel prices and its demand as well.

Nevertheless, the Company posted sales turnover of Rs. 2922.31 Lacs (7025 MT) with total expenditure of Rs. 2884.65 Lacs. The expenditure incurred on account of interest and depreciation amounts to Rs. 113.75 Lacs and the profit before tax is Rs. 70.80 Lacs. After providing Rs. 11.00 Lacs for income tax, the Company earned net profit after tax of Rs. 59.80 Lacs.

**3. DIRECTORS :**

Your Directors deeply regret to report about the sudden demise of Shri. J. C. Saboo, the Director of the Company, on 01.11.2009. The support and co-operation that he rendered during the critical period of the Company is worth remembering and is still being remembered by the Board.



The Board of Directors of the Company take on record the sincere appreciation of the invaluable guidance he extended to the Company from time to time during his tenure.

Shri H.K. Dass and Shri. A. K. Mukherjee 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 31.03.2010.

#### **5. SHARE CAPITAL:**

In terms of the provisions of Clause (19)(b) of the Demerger Scheme read with Clause (9) (e) of the Sanctioned Scheme approved by the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) vide their Order dated 23.02.2010, the 24,200 equity shares of Rs. 10/- each, partly paid-up, of the Company stands forfeited for non-payment of allotment money. Consequently the paid-up share capital of the Company has been reduced from Rs. 4,23,79,000/- to Rs. 4,22,58,000/- comprising of 42,25,800 equity shares of Rs. 10/- each, credited as fully paid up.

#### **6. AUDITORS' REPORT & AUDITORS :**

The Auditor's Report and its Annexures are self-explanatory. M/s Loya Bagri & Co. Chartered Accountants retire as statutory Auditors of the Company at the conclusion of 49th Annual General Meeting and are eligible for re-appointment.

#### **7. LISTING OF SECURITIES :**

The Shares of the Company are presently listed at the stock exchanges namely Mumbai, Ahmedabad, Kolkata, and Pune. The Company has made the due payment of the listing fees to all Stock exchanges in respect of the financial year 2010-2011.

#### **8. PARTICULARS OF EMPLOYEES :**

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

#### **9. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :**

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

#### **10. DIVIDEND :**

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

#### **11. CORPORATE GOVERNANCE :**

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

#### **12. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure.

ii) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2010.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

#### **13. ELECTION OF CHAIRMAN OF BOARD :**

During the year under review the Board of Directors of the Company at their meeting held on 21.01.2010 appointed Shri. N.K.Sarda, Joint Managing Director as the Chairman of the Board for the period till otherwise resolved and accordingly his designation has been changed from Joint Managing Director to Chairman & Managing Director effective from 21.01.2010.

#### **14. R & T AGENT :**

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

**15. REVISED BALANCE SHEET OF THE COMPANY FOR YEAR ENDED  
31.3.2009:**

In view of giving effect to the Hon'ble BIFR Order it is necessary to approve and adopt the Revised Balance Sheet of the Company as on 31.03.2009. Your Directors therefore recommend that the said Balance Sheet as revised, be approved and adopted.

**16. SECRETARIAL COMPLIANCE CERTIFICATE :**

By reason of amendments taken place in the provisions of the Companies (Appointment And Qualification of Secretary) Rules,1988, the Company was required to obtain a secretarial compliance certificate from the Secretary in whole-time practice in respect of this financial year, under Rule 3 of the Companies (Compliance Certificate) Rules, 2001. Accordingly, the Company has obtained the certificate from Vilas Nichat, Practising Company Secretary, Nagpur and the same is attached hereto forming part of this Directors' Report.

**17. 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 are 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 : 24.08.2010

  
N.K.Sarda  
Chairman & Managing Director

  
J.K.Sarda  
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 31.03.2010.
- ii. The inflow of foreign exchange is Nil
- iii. The outflow of foreign exchange is Nil

### FORM 'A'

(See Rule 2)

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

	March 2010	March 2009
<b>D. Power and Fuel Consumption</b>		
1. Electricity		
a) Purchased : Units	3012989	2326038
Total Amount (Rs.)	15653483	12390871
Average Rate /Unit (Rs.)	5.20	5.33
b) Own Generation	NIL	NIL

2. Steam Coal :

Quantity (Tonnes)	2922	1787
Total Cost (Rs.)	9902929	4621301
Average Rate / Tonne (Rs.)	3389	2586

3. Furnace Oil :

Quantity (K. Ltrs)	166	585
Total Cost (Rs.)	4117115	17354373
Average Rate / K.Ltrs (Rs.)	24802	29666

4. Other / Internal Generation.

NIL NIL

5. Consumption per MT of production (Standards if any )

Products (with details) unit		
Rolled Iron & Steel (in MT)	6695	8658
Electricity (in Units)	450.103	268.658
Furnace Oil (Secondary Fuel) (in Ltrs.)	24.798	67.568
Coal (Steam Coal 'B' Grade ) (in MT)	0.437	0.206
Excluding Shell & dust	NIL	NIL
Other (Specify)		

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 24.08.2010

  
N.K. Sarda  
Chairman & Managing Director

  
J.K. Sarda  
Managing Director

## SECRETARIAL COMPLIANCE CERTIFICATE

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

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


Paid-up Capital: Rs. 4,22,58,000/-

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

I have examined the registers, records, books and papers of SHARDA ISPAT LIMITED ( the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31<sup>st</sup> March, 2010 (financial year from 01.04.2009 to 31.03.2010). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies along with necessary fees including additional fees in respect of delayed filing.
3. The Company being a public limited Company, comments are not required
4. The Board of Directors duly met 15 (Fifteen) times respectively on 30.04.2009, 06.05.2009, 13.06.2009, 31.07.2009, 17.08.2009, 01.09.2009, 03.09.2009, 19.10.2009, 31.10.2009, 01.11.2009, 25.11.2009, 21.01.2010, 30.01.2010, 27.02.2010 and 17.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for two days from 29<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 ( both days inclusive) during the financial year. However, the previous notice thereof was not published in the newspapers
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 30.09.2009 after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.


*Dilip*



(2)

8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not obtained the previous approval of the Central Government in respect of contract(s) covered in section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer /transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of any securities during the financial year.  
  
(ii) The Company was not required to deposit any amount in a separate bank Account as no dividend was declared during the financial year.  
  
(iii) The Company was not required to post warrants for dividends to any members of the Company.  
  
(iv) The Company was not required to transfer any amounts in Investor Education and Protection Fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and interest accrued thereon which have remained unclaimed or unpaid for the period of seven years.  
  
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors, additional directors, alternate directors, and directors to fill casual vacancies have been duly made. However, the Company has not e-filed with the Registrar of Companies the necessary Form 32 in respect of the appointments so made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government except under Clause (9) above, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act during the financial year.

*Ali Gt*



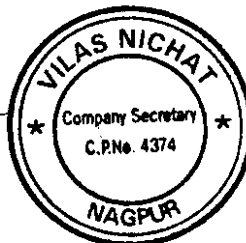
VILAS NICHAT  
Company Secretary  
C.P.No. 4374  
NAGPUR

...3

(3)

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there were no outstanding preference shares or debentures, question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits except unsecured loan(s), falling within the purview of section 58A and 58 AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975 during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given any guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.

*Ohilal*



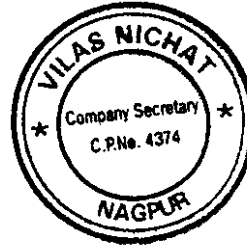
VILAS NICHAT  
\* Company Secretary \*  
C.P.No. 4374  
NAGPUR



(4)

32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund. As such, the Company has not constituted any specific Fund / Trust for the said purpose and hence, the provisions of section 418 of the Act are not applicable.

Date: 24.08.2010  
Place: Nagpur



*Vilas Nichat*  
VILAS NICHAT  
Company Secretary

Membership No. ACS- 11940 C.P. No. 4374

**ANNEXURE 'A' TO SECRETARIAL COMPLIANCE CERTIFICATE**

**Registers as maintained by the Company**

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

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

Date: 24.08.2010  
Place: Nagpur



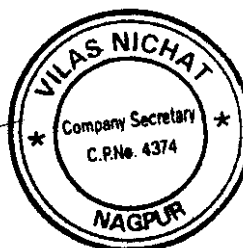
  
VILAS NICHAT  
Company Secretary

Membership No. ACS- 11940 C.P. No. 4374

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending on 31<sup>st</sup> March, 2010 (Till the date of this certificate): **With Registrar of Companies, Maharashtra**

1. Form 23AC with audited Balance Sheet in respect of financial year ended 31<sup>st</sup> March, 2009 attached thereto, approved and adopted at the Annual General Meeting held on 30.09.2009 due for filing on 29.10.2009 was duly e-filed under section 220 of the Act on 29.01.2010 vide SRN P45349354...
2. Form 23ACA with audited Profit & Loss Account in respect of financial year ended 31<sup>st</sup> March, 2009 attached thereto, approved and adopted at the Annual General Meeting held on 30.09.2009 due for filing on 29.10.2009 was duly e-filed under section 220 of the Act on 29.01.2010 vide SRN P45349354..
3. Form 66 with Secretarial Compliance Certificate in respect of financial year ended 31.03.2009 attached thereto, approved and adopted at an Annual General Meeting held on 30.09.2009 due for filing on 29.10.2009 was duly e-filed under proviso to section 383A of the Act read with Companies (Compliance Certificate) Rules, 2001 on 14.12.2009 vide SRN P43643865..
4. Form 20B with Annual Return in respect of the Annual General Meeting held on 30.09.2009, attached thereto due for filing on 28.11.2009 was duly e-filed under section 159 of the Act on 09.12.2009 vide SRN P43446202..
5. Form 32 dated 01.11.2009 regarding return of cessation of Director, due for e-filing on 30.11.2009 was duly e-filed under section 303 of the Act on 07.01.2010 vide SRN A76017037.
6. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 50.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82474495.
7. Form 17 dated 23.12.2009 for satisfaction of charge regarding Industrial Development Bank of India (transferred to SASF) Loan of Rs. 340.00 Lacs, due for e-filing on 21.01.2010 was duly e-filed under 138 of the Act on 21.01.2010 vide SRN A76880707.
8. Form 17 dated 12.02.2010 for satisfaction of charge regarding ICICI Loan of Rs. 35.00 Lacs, due for e-filing on 13.03.2010 was duly e-filed under 138 of the Act on 10.03.2010 vide SRN A80213069.
9. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 17.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82475070..

*Dilip*




VILAS NICHAT  
\* Company Secretary \*  
C.P.No. 4374  
NAGPUR

(7)

10. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 40.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82477571..
11. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 12.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82477571..
12. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 12.80 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82474768..
13. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 9.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82474123..
14. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 2.75 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82474305.
15. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 3.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82475203.
16. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 3.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82476052..
17. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 50.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82475450..
18. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 2.00 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82479650..
19. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 2.00 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82476243..
20. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 2.00 Crores due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82476508..
21. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 1.20 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82476771.

*Dhish*




VILAS NICHAT  
Company Secretary  
C.P.No. 4374  
NAGPUR

the Act on 08.04.2010 vide SRN A82477050.

23. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 5.10 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82477308.
24. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 3.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82477761.
25. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 1.91 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82478306.
26. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 25.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82478066..
27. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 25.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82475625.
28. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 18.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82478587.
29. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 3.80 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82478918..
30. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 30.00 Lacs, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82479072..
31. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 4.60 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82479353..
32. Form 17 dated 29.03.2010 for satisfaction of charge regarding State Bank of India Loan of Rs. 1.85 Crores, due for e-filing on 27.04.2010 was duly e-filed under 138 of the Act on 08.04.2010 vide SRN A82479510.

*Vilas*



VILAS NICHAT  
\* Company Secretary \*  
C.No. 4374  
NAGPUR

(9)

33. Form 21 dated 23.02.2010 regarding registration of the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) Order dated 23.02.2010 with the Registrar of Companies, was duly e-filed on 17.03.2010 vide SRN A80771751.

**Note :**

*In terms of the provisions of Clause (19)(b) of the Demerger Scheme read with Clause (9) (e) of the Sanctioned Scheme approved by the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) vide their Order dated 23.02.2010, the 24,200 equity shares of Rs. 10/- each, partly paid-up, of the Company stands forfeited for non-payment of allotment money. As a result the paid-up share capital of the Company has been reduced from Rs. 4,23,79,000/- to Rs. 4,22,58,000/- comprising of 42,25,800 equity shares of Rs. 10/- each, credited as fully paid up. .*



A handwritten signature in black ink, appearing to read "Vilas Nichat".

VILAS NICHAT  
Company Secretary

Date: 24.08.2010  
Place: Nagpur

Membership No. ACS- 11940 C.P. No. 4374

## **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. CHAIRMAN & MANAGING DIRECTOR'S CERTIFICATION:**

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

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii) These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have 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 8 (Eight) Nos. Directors out of which 4 ( Four) Nos. Directors are Non-executive and Independent one. The Chairman of the Board is a Executive Director. The presence of 4 Nos. independent Directors on the Board as stated above is in conformity with the provisions of Corporate Governance.

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

#### B. Meetings & Attendance :

15 (Fifteen) Meetings of Board of Directors were held during the financial year ended 31st March, 2010. These were held on :-

01. 30.04.2009	7. 03.09.2009	13. 30.01.2010
02. 06.05.2009	8. 19.10.2009	14. 27.02.2010
03. 13.06.2009	9. 31.10.2009	15. 17.03.2010
04. 31.07.2009	10. 01.11.2009.	
05. 17.08.2009	11. 25.11.2010	
06. 01.09.2009	12. 21.01.2010	

#### Attendance

Sr. No.	Name of the Directors	Attendance at the Board Meeting	Attendance at the Last AGM
01.	Shri. N.K. Sarda	15	Yes
02.	Shri. J.K. Sarda	15	Yes
03.	Shri. Ghanshyam Sarda	15	Yes
04.	Shri. H. K. Dass	11	Yes
05.	Shri. A. K. Mukherjee	15	Yes
06.	Shri. J.C. Saboo (till 01.11.2009)	3	Yes
07.	Shri. R P. Mohanka	4	No
08.	Smt. Poonam Sarda	3	No
09.	Shri. Ramesh Mantri	Nil	No



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

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

**D. Remuneration of Directors :**

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

Sr. No.	Name Of the Directors	Salary including Perquisites (Refer Note 1)	Services Contract	Notice Period
01.	Shri. J.K. Sarda	NIL	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. Ghanshyam .Sarda	NIL	5 Years (Till 31.03.2012)	12 Months
04.	Shri. H. K. Dass	NIL	NIL	NIL
05.	Shri. A. K. Mukherjee	NIL	NIL	NIL
06.	Shri. J.C. Saboo (Till 01.11.2010)	NIL	NIL	NIL
07.	Shri R P Mohanka	NIL	NIL	NIL
08.	Smt. Poonam Sarda	NIL	NIL	NIL
09.	Shri. Ramesh Mantri	NIL	NIL	NIL

**Note 1:**

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

**Note 2:**

Looking to the financial position of the company, no sitting fees was paid to any director



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

During the year under review the Board of Directors of the Company at their meetings held on 01.11.2009 and 21.01.2010 appointed respectively Shri. R P Mohanka, and Smt. Poonam Sarda and Shri. Ramesh Mantri as additional Director of the Company effective from the date of the meetings so held.

Shri. A.K. Mukherjee and Shri. H.K. Dass 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.

The casual vacancy in the office of member of the Committee caused due to death of Shri. J C Saboo, Director on 01.11.2009 was filled by appointment of Shri. R P Mohanka as Member and the Chairman of the Committee effective from 01.11.2009 and accordingly the composition of the reconstituted committee is as.

#### **A. Composition :**

(1) Shri R P Mohanka (2) Shri H. K. Dass (3) Shri. A.K Mukherjee

All the members of the Audit Committee are Non- Executive & independent directors. Shri R P Mohanka being a qualified Chartered Accountant having expert knowledge in finance and accounts is the Chairman of the Committee.

#### **B. Meeting and Attendance :**

During the year under review, Five (5) meeting(s) were held on 30.04.2009, 31.07.2009, 10.08.2009, 25.10.2009, 30.01.2010.

Sr. No.	Name of the members (Directors)	Attendance
01.	Shri. R P Mohanka	1
02.	Shri. A. K. Mukherjee	5
03.	Shri. H K Dass	5
04.	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 :

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

### V. REMUNERATION COMMITTEE :

In view of complying the provisions of the Companies Act, 1956 as regards to payment of remuneration to the Executive Directors of the Company, the Board of Directors of the Company had constituted the Remuneration Committee on 31.07.2006. During the year under review the casual vacancy caused in the office of member of the Committee due to death of Shri. J C Saboo on 01.11.2009 was filled by appointment of Shri. R P Mohanka as Member of the Committee effective from 01.11.2009. Accordingly the composition of the reconstituted Remuneration Committee is as under :

#### Composition:

Shri. H,K,Dass	Independent Director	-	Chairman
Shri. A,K.Mukherjee	Independent Director	-	Member
Shri. R P Mohanka	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. SHARE TRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE**

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

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

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

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

### **B. Meetings and Attendance :**

During the year under review, 3 ( Three) meetings were held on 15.04.2009, 15.05.2009 and 30.01.2010.

Sr. No.	Name of the members (Directors)	Attendance
01.	Shri. H K Dass	3
02.	Shri. N. K. Sarda	3
03.	Shri. J K Sarda	3

**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.**



## X. GENERAL SHAREHOLDERS INFORMATION :

- |   |  |
|---|--|
| 1. Annual General Meeting                                       | Thursday , the 30th September , 2010<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, 2010 to 30th September, 2010   |
| 4. Dividend Payment Date  | Not Applicable   |
| 5. Listing of Shares & other Securities<br>On Stock Exchanges   | Refer Note 2   |
| 6. Stock Code (s)   | Refer Note 2   |
| 7. Market Price Data  | Refer Note 3   |
| 8. Registrar and Transfer Agent                                 | Adroit Corporate Services Pvt. Ltd<br>19/20, Jaferbhoy Industrial Estate, Makwana<br>Road, Marol Naka, Marol, Andheri, (E),<br>Mumbai 400059 |
| 9. Share Transfer and inventors'<br>Grievances Redressal System | Refer Note 4.  |
| 10. Distribution of Shareholding                                | Refer Note 5   |
| 11. Dematerialisation of Shares and Liquidity                   | Dematerialisation: Till date the Company<br>has not gone for dematerialization.<br>Liquidity through Trading at Four Stock .<br>Exchanges    |
| 12. Plant Locations   | Kamptee Road , Nagpur -440026<br>(Maharashtra) .   |
| 13. Address of Correspondence                                   | Registered Office :<br>Kamptee Road, Nagpur - 440026<br>(Maharashtra)  |

### Note 1: Financial Calendar for the Financial Year 2010—2011

Financial Year Ending : 31st March ,2011

Un – audited Financial Results for the period of 3 months ended 30th June , 2010:  
Last week of July , 2010.

Annual General Meeting : Saturday , Last week of September , 2010 at 10 A.M.  
Un – audited Financial Results for the period of 3 months ended 30th September, 2010:  
Last week of October , 2010

Un – audited Financial Results for the period of 3 months ended 31st December, 2010:  
Last week of January , 2011

Un – audited Financial Result for the period of 3 months ended 31st March, 2011:  
Last week of April , 2011.



## 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
31.03.2009	30.09.2009	10.00 A.M.	Registered Office of the Company at Kamptee Road, Nagpur 440026
31.03.2008	30.09.2008	10.00 A.M.	
31.03.2007	29.09.2007	10.00 A.M.	

### B. Resolution Passed By Postal Ballot :

No Special Resolution was put through Postal Ballot last year.

## VIII. OTHER DISCLOSURES :

During the period under review :

- i) there were no materially significant transactions with the related parties viz, promoters, Directors or the management, their Subsidiaries or relatives conflicting with the Company's interest.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to Capital markets.
- iii) In pursuance of the Hon'ble BIFR Order dated 21.01.2010 the two Units of the Company i.e Old Unit at Kamptee Road, Nagpur and the Unit at Hingna, Nagpur have been demerged and the New Unit at Kamptee Road, Nagpur is remained with the Company. The appointed date in this behalf fixed by Hon'ble BIFR is 31.03.2008.

## 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.

- |   |               |
|---|---------------|
| 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            |



**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 - 2009	Rs. 10/-	Rs. 10/-
MAY - 2009	Rs. 10/-	Rs. 10/-
JUNE- 2009	-	-
JULY- 2008	-	-
AUG- 2009	-	-
SEPT- 2009	-	-
OCT- 2009	-	-
NOV- 2009	-	-
DEC- 2009	-	-
JAN- 2010	Rs. 18/-	Rs. 5/-
FEB- 2010	-	-
MAR - 2010	-	-

**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 avails services of M/s. Adroit Corporate Services Private Limited, which have got adequate Infrastructure to process the share transfers. The share transfers are received and processed promptly subject to transfer documents valid and complete in all respects. The said Company is having adequate facility to respond and attend investors' grievances at the earliest.





**Note 5: Distribution of Shareholdings :**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters' holding : - Indian Promoters - Foreign Promoters	2,99,900 -	7.10 -
2.	Persons acting in concert	28,15,840	66.63
3.	Non-promoters' holding  - Institutional Investors - Mutul Funds & UTI - Banks & Financial Institutions - Insurance Companies	Nil Nil Nil Nil	Nil Nil Nil Nil
4.	Others : -Private Corporate Bodies - Trust - Indian Public - NRI / OCBs <b>GRAND TOTAL</b>	3,23,360 15,000 7,71,700 Nil <b>42,25,800</b>	7.65 0.35 18.27 Nil <b>100.00</b>

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 24.08.2010

  
(N.K. SARDA)  
Chairman & Managing Director

  
(J.K.SARDA)  
Managing Director



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Sharda Ispat Limited  
NAGPUR

We have examined the compliance of conditions of Corporate Governance by SHARDA ISPAT LIMITED for the year ended on 31<sup>st</sup> March, 2010, 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 a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

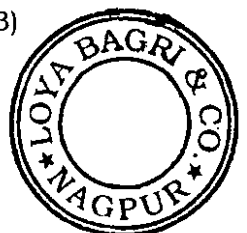
Nagpur, Dated the,  
24<sup>th</sup> August, 2010.

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

*CM*

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

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



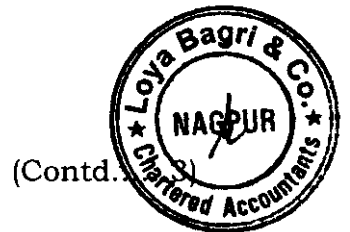
## AUDITORS' REPORT

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

- 1) We have audited the attached Balance Sheet of Sharda Ispat Ltd., Nagpur, as at 31<sup>st</sup> March, 2010, the Profit and Loss Account for the year ended on that date annexed thereto and also the Cash Flow Statement for the year ended on that date read with notes annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies [Auditor's Report] Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs '4' and '5' of the said order.



- 4) *Attention is invited to the transactions covered under section 297 of the Companies Act, 1956, the previous sanction of Central Government under Section 297 of the Companies Act was not made available.*
- 5) *Subject to our comments in Para 4 above, we report that:-*
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) The Cash Flow Statement, the Profit & Loss Account and the Balance Sheet comply the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
  - (c) in the case of the cash flow statement, of cash flows for the year ended on that date.

Nagpur, Dated the,  
24<sup>th</sup> August, 2010.

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

*CM*

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



ANNEXURE TO AUDITORS' REPORT OF SHARDA ISPAT LTD.

Referred to in Paragraph 3 of our Report of Even date on the  
Accounts as at 31<sup>st</sup> March, 2010.

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



- vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of sections 58-A, 58-AA or any other relevant provisions of the Companies Act, 1956 and rules made 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 31<sup>st</sup> March, 2010 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 31<sup>st</sup> March, 2010, that have not been deposited on account of disputes pending, are as under :-

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is pending
1.	Central Excise Act	Excise Duty	12,57,012	High Court Delhi
2.	Central Excise Act	Excise Duty & Penalty	1,40,100	CEGAT, Mumbai (Appeals), Nagpur
3.	Central Excise Act	Penalty	2,24,000	CEGAT, North Zone, Delhi (Appeals), Nagpur
4.	Central Excise Act	Excise Duty & Penalty	23,47,706	CEGAT, Mumbai (Appeals), Nagpur
5.	Bombay Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	13,08,650	Joint Commissioner of Sales Tax (Appeals), Nagpur
6.	Central Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	2,37,211	Joint Commissioner of Sales Tax (Appeals), Nagpur
7.	Bombay Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	1,21,62,805	Joint Commissioner of Sales Tax (Appeals), Nagpur
8.	Central Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	30,15,700	Joint Commissioner of Sales Tax (Appeals), Nagpur

(Above Sr. No 5,6,7 and 8 are in total. The allocation shall be made after final decision between demerged company and resultant companies) (Refer Note No. 11 of Schedule 'R')

- x) There are accumulated losses of the company at the end of the financial year. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in the repayments of dues to bank or Financial Institutions as the dues of all the Financial Institutions and Banker are settled during the year.
- xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.



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

Nagpur, Dated the,  
24<sup>th</sup> August, 2010.

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

*GM*

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



**SHARDA ISPAT LIMITED****BALANCE SHEET****AS AT 31ST MARCH, 2010**

	SCHEDULE	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHARE HOLDERS' FUNDS</u></b>			
Share Capital	'A'	42,258,000	42,379,000
Reserves & Surplus	'B'	27,379,000	91,240,882
		69,637,000	133,619,882
<b><u>LOAN FUNDS</u></b>			
Unsecured Loans	'C'	142,186,662	134,523,333
		142,186,662	134,523,333
Total		211,823,662	268,143,215
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	'D'	167,872,917	157,806,003
Less : Depreciation		98,898,862	92,159,156
Net Block		68,974,055	65,646,847
Add : Capital Work in Progress		950,956	-
		69,925,011	65,646,847
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
Current Assets	'E'	134,163,053	123,520,946
Loans & Advances	'F'	79,860,245	59,620,346
		214,023,298	183,141,291
Less : Current Liabilities & Provisions	'G'	95,951,869	74,434,951
		118,071,429	108,706,340
<b><u>PROFIT &amp; LOSS ACCOUNT</u></b>			
	'H'	23,827,222	93,790,027
		23,827,222	93,790,027
Total		211,823,662	268,143,215

Cont



Accounting policies, Contingent liabilities and Notes to the accounts.

'R'

Schedule 'A' to 'H' and Schedule 'R' referred to above form an integral Part of the Balance sheet

As per our report of even date attached.

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

*CMM*

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



Nagpur, Dated the,  
24th August, 2010

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

For, BHARDA ISPAT LTD.

*J. L. Saini*  
DIRECTOR

For, BHARDA ISPAT LTD.

*J. L. Saini*  
DIRECTOR

**SHARDA ISPAT LIMITED, NAGPUR**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH.2010**

	SCHEDULE	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
<b><u>INCOME</u></b>			
Sales & Service Charges	'I'	292,230,571	404,098,372
Less : Excise Duty		20,719,730	42,239,759
		271,510,841	361,858,613
Other Income	'J'	3,314,799	1,180,731
Closing Stock	'K'	53,703,082	69,241,518
Total		328,528,722	432,280,862
<b><u>EXPENDITURE</u></b>			
Opening Stock	'L'	69,241,518	69,929,350
Raw Material Consumed	'M'	190,745,523	274,013,516
Manufacturing Expenses	'N'	36,442,787	37,371,255
Salaries, Wages & Benefits to Employees'	'O'	3,773,232	4,333,532
Operating Expenses	'P'	9,800,514	11,417,462
Interest Expenses	'Q'	4,634,874	7,069,606
Depreciation		6,739,706	6,711,616
Total		321,378,154	410,846,337

Cont..



	SCHEDULE	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
Profit before Extra Ordinary Items		7,150,568	21,434,525
<b>Add:- <u>Extra ordinary Items</u></b>			
Liability no longer payable under Settlement with Banker & Financial Institutions (Net)		-	223,695,224
Profit after Extra Ordinary Items		7,150,568	245,129,749
Less : Prior year adjustments (Net)		70,645	30,900
Profit before taxation		7,079,923	245,098,849
Less : <u>Taxation Provision</u>			
<u>Income Tax</u>			
Current Year		1,100,000	-
<u>Fringe Benefit Tax</u>			
Current Year		-	2,000
Profit After Taxation		5,979,923	245,096,849
Add: Balance of Loss brought forward		(33,070,800)	(278,167,649)
(Loss) Carried to Balance Sheet		(27,090,877)	(33,070,800)
Earning per Share before Extra Ordinary Items		1.42	5.04
Earning per Share after Extra Ordinary Items		1.42	57.67
Accounting Policies, Contingent liabilities & Notes to the Accounts.	'R'		

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

As per our report of even date attached.

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

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

Nagpur, Dated the,  
24th August, 2010

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



SHARDA ISPAT LTD  
*J. K. Sarda*  
DIRECTOR

SHARDA ISPAT LTD  
*T. P. Sarda*  
DIRECTOR

**SHARDA ISPAT LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
<b><u>SCHEDULE 'A'</u></b>		
<b><u>SHARE CAPITAL:</u></b>		
<b><u>Authorised:</u></b>		
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<b><u>Issued:</u></b>		
42,50,000 Equity Shares of Rs. 10/- each (Previous Year 42,50,000 Equity Shares)	42,500,000	42,500,000
<b><u>Subscribed and paid up:</u></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
Less:- Partly paid up shares Forfeited Transfer to P/L Account	121,000	-
	42,258,000	42,379,000
 <b><u>NOTE :</u></b>		
(Out of above 7,50,000 equity shares were issued as bonus shares by way of capitalisation of general reserve)	7,500,000	7,500,000
 <b><u>SCHEDULE 'B'</u></b>		
<b><u>RESERVES &amp; SURPLUS :</u></b>		
<b><u>Capital Reserve</u></b>		
As per last Balance Sheet	63,861,882	5,900,000
Add : During the year	-	57,961,882
	63,861,882	63,861,882
Less : Transfer to P/L Account	63,861,882	-
	-	63,861,882
 <b><u>Securities Premium Account</u></b>		
As per last Balance Sheet	27,500,000	27,500,000
Less : Being Shares forfeited in 2010.	121,000	-
	27,379,000	27,500,000
Less : Share Premium money unpaid.	-	121,000
	27,379,000	27,379,000
	27,379,000	91,240,882

Cont...2



MARCH.2010  
(Rs.)MARCH.2009  
(Rs.)SCHEDULE 'C'UNSECURED LOANS AND ADVANCES :A) From SICOM:i) Special Capital Incentive

2,500,000

2,500,000

ii) Sales Tax DeferralSales Tax deferral under package  
scheme of Incentive 1988, of Govt.  
of Maharashtra

(Refer. Note no 14 of Schedule 'R' )

9,896,999

8,624,322

(A)

12,396,999

11,124,322

B) Interest Free Loan

From Corporate Sector

16,468,488

8,567,541

From Others

9,100,603

9,100,603

From Joint Managing Director

15,621,804

6,131,804

(B)

41,190,895

23,799,948

C) Interest bearing Loan

From Corporate Sector

88,598,767

99,599,063

(C)

88,598,767

99,599,063

Total (A+B+C)

142,186,662

134,523,333

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



SCHEDULE 'D'

**SHARDA ISPAT LIMITED**  
Schedule of fixed assets as at 31st March 2010

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.		
LAND (FREE HOLD)	-	9,204,951	-	9,204,951	-	-	-	9,204,951	-
BUILDINGS	19,780,277	289,954	-	20,070,231	8,845,241	-	661,988	10,563,002	10,935,037
PLANT & MACHINERY	137,824,404	572,010	-	138,396,414	83,295,312	-	6,068,155	49,032,947	54,529,092
OFFICE EQUIPMENTS	201,322	-	-	201,322	18,604	-	9,563	173,155	182,718
<b>TOTAL</b>	<b>157,806,003</b>	<b>10,066,915</b>	<b>-</b>	<b>167,872,918</b>	<b>92,159,157</b>	<b>-</b>	<b>6,739,706</b>	<b>68,974,055</b>	<b>65,646,847</b>
<b>PREVIOUS YEAR</b>	<b>157,328,231</b>	<b>477,772</b>	<b>-</b>	<b>157,806,003</b>	<b>85,447,541</b>	<b>-</b>	<b>6,711,615</b>	<b>65,646,847</b>	<b>71,880,690</b>



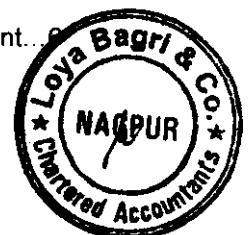
<u>SCHEDULE 'E'</u>	<b>MARCH.2010</b> <b>(Rs.)</b>	<b>MARCH.2009</b> <b>(Rs.)</b>
<u>CURRENT ASSETS :</u>		
<u>Stocks :</u>		
(As taken, valued & certified by Management)		
Manufactured Goods	53,703,082	69,241,518
Raw Material	42,425,634	11,813,082
Stores & Fuel	5,232,548	996,400
	101,361,264	82,051,000
<u>Sundry Debtors :</u>		
(Unsecured but considered good)		
Exceeding Six Months	15,437,025	6,933,688
Others	15,824,197	27,119,578
	31,261,222	34,053,266
<u>Cash &amp; Bank Balances :</u>		
Cash-in-hand	916	325
Balances with Scheduled Banks on current Accounts	1,539,651	7,416,355
	1,540,567	7,416,680
<b>Total</b>	<b>134,163,053</b>	<b>123,520,946</b>
Note : Out of above, suits have been filed against debtors (Exceeding six months)	2,477,753	2,539,111

Cont...5



	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
<u>SCHEDULE 'F'</u>		
<u>LOANS &amp; ADVANCES :</u>		
(Unsecured but considered good)		
(Advances Recoverable in Cash or in Kind or for value to be received or Pending adjustments)		
Other Advances	69,262,596	48,532,387
Deposits	10,597,650	11,087,959
	79,860,246	59,620,346
 <u>SCHEDULE 'G'</u>		
<u>CURRENT LIABILITIES &amp; PROVISIONS :</u>		
<u>Current Liabilities :</u>		
Sundry Creditors	15,848,925	31,130,337
Other Liabilities	78,512,087	42,845,293
	94,361,012	73,975,630
 <u>Provisions :</u>		
For Gratuity	414,596	399,676
For Leave Encashment	74,261	57,645
For Income Tax	1,100,000	-
For Fringe Benefit Tax	2,000	2,000
	1,590,857	459,321
	95,951,869	74,434,951
 Note:-		
Sundry Creditors includes amount due to Micro, Small & Medium Enterprises (Refer Note '13' of Schedule R)	NIL	NIL
 <u>SCHEDULE 'H'</u>		
<u>PROFIT &amp; LOSS ACCOUNT</u>		
Balancing Figure on Account of Demerger As per last Balance Sheet	60,719,227	60,719,227
Balance of Loss As per Profit & Loss Account	27,090,877	33,070,800
	a) 87,810,104	93,790,027
Less : Partly Paid up Shares Forfeited	121,000	-
Transfer from Capital reserve	63,861,882	-
	b) 63,982,882	-
	(a-b) 23,827,222	93,790,027

Cont...



	MARCH.2010 (Rs.)	MARCH.2009 (Rs.)
<u>SCHEDULE 'I'</u>		
<u>SALES &amp; SERVICE CHARGES :</u>		
(i) Sales		
Iron & Steel		
Manufactured Goods	228,738,711	366,715,852
Raw material (Unusable)	18,354,993	5,294,760
	247,093,704	372,010,612
(ii) Service charges		
Conversion Charges ( Gross ) (TDS Rs 9,13,183 /-, P.Y. Rs..2,64,082/-)	45,136,867	32,087,760
	45,136,867	32,087,760
(i+ii)	292,230,571	404,098,372
<u>SCHEDULE 'J'</u>		
<u>OTHER INCOME :</u>		
Interest Received ( Gross ) (TDS Rs.38,711/- ,P.Y. Rs.59,651/-)	201,786	382,261
Excess Provision Written Back	22,125	-
Income on Settlement of Accounts	2,976,750	-
FG Transportation Received	114,138	-
Sales Tax Adjustments	-	798,470
	3,314,799	1,180,731
<u>SCHEDULE 'K'</u>		
<u>CLOSING STOCK :</u>		
Manufactured Goods	53,703,082	69,241,518
	53,703,082	69,241,518
<u>SCHEDULE 'L'</u>		
<u>OPENING STOCK :</u>		
Manufactured Goods	69,241,518	69,929,350
	69,241,518	69,929,350



MARCH.2010  
(Rs.)MARCH.2009  
(Rs.)SCHEDULE 'M'RAW MATERIAL CONSUMED :

(Including for Re-sales)

Opening Stock	11,813,082	72,825,879
Add : Purchases & Expenses	221,358,077 233,171,159	213,000,721 285,826,600
Less : Closing Stock	42,425,634	11,813,082
Consumed	190,745,525	274,013,518

SCHEDULE 'N'MANUFACTURING EXPENSES :

Goods Expenses	2,905,420	2,768,221
Power and Fuel	29,673,527	34,366,545
Stores Consumption	278,846	681,240
<u>Repairs &amp; Maintenance</u>		
Plant & Machinery	1,940,067	3,599,403
Building	421,527	917,502
	2,361,595	-
Other Expenses	1,067,672	588,425
Excise duty on finished goods stock (Net)	155,727	(5,550,080)
	36,442,787	37,371,255

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

Salary, Wages, Bonus and Allowances	3,538,704	4,126,236
Contribution to P.F. and other Funds	140,937	133,159
Workmen and Staff Welfare Expenses	93,591	74,137
	3,773,232	4,333,532

Cont...



MARCH.2010  
(Rs.)MARCH.2009  
(Rs.)SCHEDULE 'P'OPERATING EXPENSES :

Sales Tax		83,369	-
Excise duty other than collected		35,985	91,768
Rates and Taxes		-	2,500
Service Tax		100,518	197,317
Commission on Sales		299,704	11,869
Brokerage & Commission		23,977	-
Outward Transportation & Others		3,317,805	5,914,873
Miscellaneous & Administrative expenses		411,478	1,126,924
Administrative Charges (allocated)		4,200,000	2,700,000
Provision for Sales Tax Deferral		1,272,678	1,315,739
<u>Payments to Auditors :</u>			
Audit Fees	25,000		-
Tax & Vat Audit Fees	25,000		52,472
Other Taxation Services	5,000		4,000
		55,000	56,472
		9,800,514	11,417,462

SCHEDULE 'Q'INTEREST EXPENSES :

On other than Term Loans		4,634,874	7,069,606
		4,634,874	7,069,606

Cont



## SCHEDULE 'R'

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

### I. SIGNIFICANT ACCOUNTING POLICIES :

#### 1. General :

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

#### 2. The method of Accounting :

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

#### 3. Fixed Assets :

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

#### 4. Depreciation :

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

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

#### 5. Inventory Valuation :

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

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

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

Cont



7. **Sales :**

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

8. **Retirement Benefits etc. :**

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

II. **CONTINGENT LIABILITIES :**

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

	<u>March 2010</u>	<u>March 2009</u>
i) Claims not acknowledged as debts by the Company on account of :		
Labour cases	8,96,533	13,76,374
ii) Sales tax matters under appeal for which the Company denies liability. Total liabilities are of Rs.1,71,19,366/- (Previous year Rs. 19,40,861/-) for the company in total. The allocation shall be made after final computation in the demerged company and resultant companies		
iii) Excise Duty matters under appeal for which the Company denies liability.	41,08,918	17,12,201

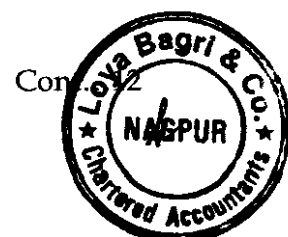




**III. NOTES TO THE ACCOUNTS :**

10. The figures of the previous year have been regrouped wherever necessary.
11. The Rehabilitation scheme sanctioned to Sharda Ispat Ltd (SIL) by the Hon'ble BIFR on 21.01.2010 and approved by it on 17.03.2010 for implementation inter-alia provides for trifurcation of various units of the company into three different entities. The implementation of various provisions of the scheme is in progress.
- According to said Scheme, the Old unit at kamptee Road, Nagpur & Unit at Hingna, Nagpur shall stand transferred to Sharda Ispat Industries Ltd (SIIL) & Hytech Ispat Ltd (HIL) (Now known as Sarda Ispat Ltd) respectively w.e.f. appointed date 01.04.08. Hence the New Unit at Kamptee Road remain with Sharda Ispat Ltd. (SIL).
- Sharda Ispat Industries Ltd. (SIIL) and Hytech Ispat Ltd (HIL) (Now known as Sarda Ispat Ltd) are deemed to have carried on business of respective units w.e.f the aforesaid appointed date as per the Sanctioned Scheme even though the business of the said units was carried on by the Sharda Ispat Ltd (SIL).
- In terms of the Sanctioned Scheme, the following assets and the liabilities as on 31.03.2008 pertaining to OLD Unit at kamptee Road and Unit at Hingna, Nagpur have been transferred by this company on 01.04.2008 and the accounts for the year ended 31.03.2010 have been prepared accordingly.

	<b>Amount (Rs in lacs.)</b>		
<b>A) ASSETS TRANSFERED:</b>	<u>OLD Unit</u>	<u>Unit at Hingna</u>	<u>Total</u>
Net Fixed Assets	85.63	270.13	355.76
Current Assets, Loans and Advances	<u>332.35</u>	<u>1703.98</u>	<u>2036.33</u>
Total (A)	<u>417.98</u>	<u>1974.11</u>	<u>2392.09</u>
<b>B) LIABILITIES TRANSFERED :</b>			
Unsecured Loan	Nil	25.00	25.00
Current Liabilities & Provisions	187.19	1569.39	1756.58
Revaluation Reserve	3.32	Nil	3.32
Profit & Loss Account (Balancing Figure)	<u>227.47</u>	<u>379.72</u>	<u>607.19</u>
Total (B)	<u>508.35</u>	<u>1974.11</u>	<u>2392.09</u>



12. These accounts relate to the operations of New Unit at Kamptee Road, Nagpur only, which remains in this company w.e.f. 01.04.2008.
13. The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 & hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said act have not been given.
14. 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 2010 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. 98,96,999/- (previous year Rs. 86,24,322/- ).
15. **Segment reporting :**  
The financial results relate to mainly " Iron & Steel Products" segment, in accordance with Accounting Standard - 17 "Segment Reporting" .
16. **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 realized.
17. Letters of confirmation of balances have not been received from Sundry Creditors, Sundry debtors and persons from whom advances & deposits have been received or to whom advances & deposits have been given.
18. The following expenses / income are related to earlier years for the following heads & shown as Prior Year Adjustments (Net) in the Profit & Loss Account :-

	<u>March 2010</u>	<u>March 2009</u>
i) Amount paid to Financial Institutions (Expenses)	70,645	2,80,900
ii) Gratuity as excess provision written back (Income)	_____	<u>2,50,000</u>
	<u>70,645</u>	<u>30,900</u>

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



20. **Managerial remuneration :**

Remuneration to Jt. Managing Director is as under :

	<u>March 2010</u>	<u>March 2009</u>
Salaries ,Allowances & Perquisites	9,00,000	9,00,000
Contribution to Provident Fund	7,800	7,800
	-----	-----
Rs.	9,07,800	9,07,800
	-----	-----

21. **Earning per share:**

Profit before Extra Ordinary Items	2,14,01,624	2,14,01,624
Profit after Extra Ordinary Items	24,50,96,848	24,50,96,84
No. of equity shares Basic and diluted	42,25,800	42,50,000
Earning per share (Rs.) Before Extra Ordinary Items	01.42	05.04
Earning per share (Rs.) After Extra Ordinary Items	01.42	57.67
Nominal value of per equity share (Rs.)	10	10

22. **Related Party disclosures :**

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

(a) Relationships :

(i) Associates

M/s Sharda Dharamkanta.

(ii) Key Management Personnel

Shri N. K. Sarda

Joint Managing Director



(b) Nature of transaction	Associates	Key Management Personnel	Total
Purchase of services	2,11,661 (2,37,377)	- -	2,11,661 (2,37,377)
Remuneration, Allowances & Perquisites	- -	9,07,800 (9,07,800)	9,07,800 (9,07,800)
Loans repaid	- ( - )	2,15,90,000 (1,93,81,703)	2,15,90,000 (1,93,81,703)
Loan received	- ( - )	3,10,80,000 (98,73,857)	3,10,80,000 (98,73,857)
<u>Balance outstanding at year end:</u>			
Outstanding payable	30,26,825 (29,33,397)	1,56,21,804 (61,31,804)	1,86,48,629 (90,65,201)

Note:

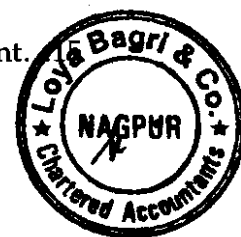
The above information has been determined to the extent such parties have been identified on the basis of information provided by the company which has been relied upon by the auditors.

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

<u>Iron &amp; steel (Rolled Products)</u>	<u>Licensed</u>	<u>Installed</u>
New Unit	73,000	73,000

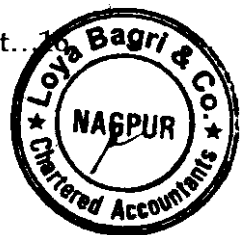
Note :- As certified by the Management and accepted by the Auditors being a technical matter.

Cont.



	<u>March 2010</u>	<u>March 2009</u>
<b>24. Quantitative Details are as under :</b>		
<b>(i) Production (In M.T.) :</b>		
Rolled products & By products :		
In own units	19,481	17,396
By others	-	-
	-----	-----
	19,517	17,396
	-----	-----
Own account	6,695	8,658
On Conversion account	12,786	8,738
	-----	-----
	19,481	17,396
	-----	-----
<b>(iii) Rolled products &amp; By-Products ( In M.T.) :</b>		
Opening stock	2,142	2,057
Closing stock	1,812	2,142
Production	6,695	8,658
Sales	7,025	8,573
<b>(iv) By-products which have been included in above:</b>		
<b>(In M.T.)</b>		
Opening stock	242	111
Closing stock	515	242
Production	646	367
Sales	372	236

Cont.. 1



(v) Raw material consumed (In MT) :

In production	6,828	8,943
In sales	683	112

Signatures to Schedule A to R

As per our report of even date attached

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

*GD*

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



Nagpur, Dated the,  
24th August, 2010

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

SHARDA ISPAT LTD  
*J. G. Sarda*  
DIRECTOR

SHARDA ISPAT LTD  
*J. G. Sarda*  
DIRECTOR

**Annexure 1**

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

**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.**

**I. REGISTRATION DETAILS**

REGISTRATION NO. : 11-11830 STATE CODE : 11  
BALANCE SHEET DATE : 31.03.2010

**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 & DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)**

TOTAL LIABILITIES 2,11,824 TOTAL ASSETS 2,11,824

**SOURCES OF FUNDS:**

PAID UP CAPITAL 42,258 RESERVES & SURPLUS 27,379

SECURED LOANS Nil UNSECURED LOANS 1,42,187

**APPLICATION OF FUNDS:**

NET FIXED ASSETS 69,925 INVESTMENTS NIL  
NET CURRENT ASSETS 1,18,072 MISC. EXPENDITURE NIL  
ACCUMULATED LOSSES 23,827

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

TURN OVER 2,92,231 TOTAL EXPENDITURE 2,88,465  
PROFIT BEFORE TAX 7,080 PROFIT AFTER TAX 5,980  
EARNING PER SHARE IN RS. 01.42 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.

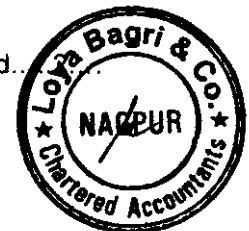


## SHARDA ISPAT LTD.

### Cash Flow Statement for the year ended 31st March, 2010

	(Rs. in lacs)	
	March, 2010	March, 2009
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	70.80	2,450.99
ADJUSTMENTS FOR		
Depreciation	67.40	67.12
Interest expenses	46.35	70.70
Sales Tax Deferred	12.73	13.16
Interest Income	(2.02)	(3.82)
	124.45	147.15
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>195.25</b>	<b>2,598.14</b>
Trade & other receivable	(164.65)	903.32
Inventories	(193.10)	645.95
Trade and Other Payable	204.17	(1,799.51)
	(153.59)	(250.24)
<b>CASH GENERATED FROM OPERATIONS:</b>	<b>41.67</b>	<b>2,347.89</b>
Income tax paid	(9.83)	(5.09)
Net cash/(Used in) from operating activities.	31.84	2,342.80
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(110.18)	(4.78)
Interest received	2.018	3.82
Net cash\ (used in) from investing activities.	(108.16)	(0.96)

Contd..





**C) CASH FLOW FROM FINANCING ACTIVITIES**

Interest expenses	(46.35)	(70.70)
Proceeds of long term borrowings	-	(1,980.33)
Net Receipts of short term borrowings	63.91	(294.11)
Net cash /(used in) from Financing activities	<u>17.56</u>	<u>(2,345.14)</u>
Net Increase/(Decrease) in cash and cash equivalents	(58.76)	(3.29)
Cash and Cash Equivalents (Opening Balance) (Refer Note 1)	74.17	77.45
Cash and Cash Equivalents (Closing Balance)	15.41	74.17

**NOTES:**

- 1) Due to transfer of Company's unit as old unit Kamptee Road , Nagpur and Hingna unit, Nagpur with effect from 01/04/2008, pursuant to the Sanctioned scheme , cash and cash equivalents exclude of Rs.5.82 lakhs from Sharda Ispat Ltd. as on 01/04/2008.
- 2) The above Cash flow statement has been prepared under " Indirect Method" as set out in the Accounting Standard '3'.
- 3) Cash and Cash equivalents consist of cash, cheques in hand, balances with banks including fixed deposit receipts.

The previous year's figures have been regrouped whenever necessary.

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

*CM*

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



Nagpur, dated the,  
24th August, 2010

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

For, SHARDA ISPAT LTD  
*J. K. Sarda*  
DIRECTOR

For, SHARDA ISPAT LTD  
*T. T. Sarda*  
DIRECTOR

## AUDITOR'S CERTIFICATE

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

We have examined the attached Cash Flow Statement of the Sharda Ispat Limited, Nagpur, for the year ended 31<sup>st</sup> March, 2010. The statement have been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report to the members of the Company.

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

*CPM*



Nagpur, Dated the,  
24<sup>th</sup> August, 2010

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