

SHARDA ISPAT LIMITED

Regd. Office : Kamptee Road, Nagpur (Maharashtra)
Ph. No. 0712-2640071, 72 E-mail : sil_ngp@rediffmail.com

REF : SIL/ 2014-15/

Date :11.09.2014

The Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New Trading Wing
Rotunda Building, P.J.Towers,
Dalal Street Fort,
Mumbai 400001

SHARDA ISPAT LIMITED

REF: YOUR E-MAIL DATED 10.09.2014

SUB : SOFT COPY OF THE ANNUAL REPORT FOR FY ENDED 31.03.2014

Sir/ Madam,

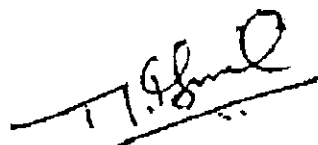
With reference to your e-mail under reference we are sending herewith the soft copy of the Annual Report of the Company for the financial year ended 31.03.2014 along with **Form A**.

Kindly acknowledge the receipt and oblige.

Thanking You,

Yours Faithfully,

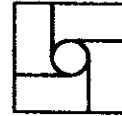
For SHARDA ISPAT LIMITED



N.K. Sarda
Chairman & Managing Director

Enclosures As Above

Sharda Ispat Limited




KAMPTEE ROAD,
NAGPUR - 440 026
PHONE : (0712) 2640071-73 (3 Lines)
FAX : (0712) 2641171
Email : silngp@rediffmail.com

FORM A

S No.		
1	Name of the Company	SHARDA ISPAT LIMITED
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	The observation given under the sub-heading 'Matter of Emphasis' in the Independent Auditors' Report is as under : 'We draw attention 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, 1956 was not made available.'
4	Frequency of observation	Appearing since last <u>Sixteen</u> previous years.

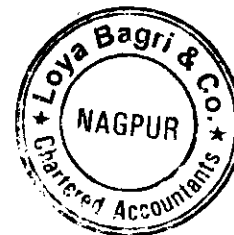
For SHARDA ISPAT LIMITED



N K Sarda
Chairman & Managing Director


Poonam Sarda
Whole Time Director & CFO


R P Mohanka
Audit Committee Chairman

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




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

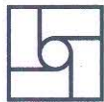
LOYA BAGRI & CO.
Chartered Accountants
Popular Market, Gandhibagh,
NAGPUR-440 002.

Nagpur, Dated the 08th September, 2014

Encl : Copy of Annual Report for the financial year ended 31.03.2014

53rd
Annual
REPORT

2013-2014



SHARDA ISPAT LIMITED
NAGPUR



SHARDA ISPAT LIMITED, Nagpur

BOARD OF DIRECTORS

SHRI N. K. SARDA	: Chairman & Managing Director
SMT POONAM SARDA	: Whole Time Director & CFO
SHRI H. K. DASS	: Independent Director
SHRI R. P. MOHANKA	: Independent Director
SHRI RAMESH MANTRI	: Independent Director

AUDITORS

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

INTERNAL AUDITOR

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

BANKERS

: NAGPUR NAGRIK SAHAKARI BANK LTD.

REGISTERED OFFICE

: Kamptee Road, Nagpur - 440026

PLANT

: Kamptee Road, Nagpur - 440026

ADDRESS FOR CORRESPONDENCE TO SHARE DEPARTMENT

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

WEBSITE

: www.shardaispat.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 53rd Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Monday, the 29th day of September, 2014 at 10.00 a.m. at the Registered Office of the Company at Sharda Ispat Limited Office Premises, Kamptee Road, Nagpur 440 026 to transact the following business:

ORDINARY BUSINESS:

1) Adoption of Accounts

To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended 31.03.2014 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.

2) Re-appointment of Smt. Poonam Sarda :

To appoint Director in place of Smt. Poonam Sarda (DIN: 00190512) who retires by rotation at this meeting and being eligible, offers herself for re-appointment.

3) Appointment of Auditors:

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

"RESOLVED THAT pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under as amended from time to time, M/s Loya Bagri & Co., Chartered Accountants, Nagpur (ICAI Firm Registration No. 105658W) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of fifty-fourth AGM of the Company to be held in the year 2015, at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4) Appointment of Shri. HK Dass as an Independent Director:

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



"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. H.K. Dass (DIN: 00419983), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company in the calendar year 2019."

5) **Appointment of Shri. R. P. Mohanka as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. R. P. Mohanka (DIN: 00235850), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company in the calendar year 2019."

6) **Appointment of Shri. Ramesh Mantri as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Ramesh Mantri (DIN: 00414931), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his



candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company in the calendar year 2019.”

7) **Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2015 :**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed there under, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs. 30,000/- payable to M/s Narendra Peshne and Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records pertaining to steel products maintained by the Company for the Financial Year ending March 31, 2015.”

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

8) **Authorization to Board for Borrowings:**

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

“RESOLVED THAT in supersession of the resolution passed by the Company in the Annual General Meeting held on 30.09.2011, in relation to the exercise of borrowing power, and pursuant to the provisions of section 180(1)(c) and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to exercise the powers to borrow money from time to time up to a limit of not exceeding in the aggregate Rs. 200.00 Crores (Rupees Two Hundred Crores only) notwithstanding that the money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”



9) **Alteration of Articles of Association:**

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

“RESOLVED THAT pursuant to section 14 of the Companies Act, 2013 and other applicable provisions, if any, the Articles of Association of the Company be altered in the following manner:

- i) The existing Article 27 of the Articles of Association of the company, be replaced by the following new Article 27

Art. 27 : A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a director for the purpose of determining retirement of Directors by rotation or in fixing the number of Directors to retire, but subject to the provisions of any contract between him and the Company he shall be subject to the provisions as to resignation and removal as the director of the Company and he shall 'ipso-facto' and immediately, cease to be a Managing Director if he ceases to be a Director for any cause.

- ii) After the existing Article 27 of the Articles of Association of the company, the following new Article be inserted and the same be numbered as Article 28:

Art. 28: The same person may, at the same time, be appointed as the Chairperson of the Company as well as Managing Director or Chief Executive Officer of the company.

- iii) The existing Articles bearing numbers (28), (29), (30), (31) and (32) be re-numbered as (29), (30), (31), (32) and (33) respectively.

Registered Office :
Kamptee Road,
Nagpur 440026
(CIN : L74210MH1960PLC011830)
Website : www.shardaispat.com

Date : 11.08.2014

By Order of the Board of Director,

N.K.Sarda
Chairman & Managing Director

**NOTES :**

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

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

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

- 2) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item Nos. 4 to 9 set out above is annexed hereto.
- 3) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- 4) The Register of Members and Share Transfer Books of the company will remain closed from 26.09.2014 to 29.09.2014 (both days inclusive)
- 5) The shareholders holding shares in physical mode are requested to intimate the changes, if any, in their registered address, Bank mandate i.e. name of bank, branch address, account number, MICR/IFS Code to the Company and/or R & T Agent, or their respective Depository Participants (DPs), if the shares are held in demat mode.
- 6) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 7) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's R & T Agent, for consolidation into a single folio.
- 8) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's R & T Agent, mentioning your correct reference folio number in case of holdings in physical form.
- 9) In compliance with the provisions of Section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The e-voting period commences on Monday, September 22, 2014 (9:00 a.m.(IST) and ends on Wednesday, September 24, 2014 (6:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut off date, August 29, 2014 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



The instructions for members for voting electronically are as under:

In case of Members receiving e-mail:

- (i) Log on to the e-voting website 'www.evotingindia.com'
- (ii) Click on "Shareholders" tab.
- (iii) Select the Company Name "SHARDA ISPAT LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to 'www.evotingindia.com' and voted on an earlier voting of any other company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account /folio number in the PAN field.● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to 'www.evotingindia.co.in' and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 'helpdesk.evoting@cdslindia.com'.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to 'helpdesk.evoting@cdslindia.com' and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of Members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Monday, September 22, 2014 at 9:00 a.m. IST and ends on Wednesday, September 24, 2014 at 6:00 p.m. IST. During this period, shareholders' of the Company, holding shares as on Friday, August 29, 2014, (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help section or write an email to 'helpdesk.evoting@cdslindia.com'.



Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company.

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Shri. Swastik Jain, Practicing Chartered Accountant, C/o. Sharda Ispat Limited, Kamptee Road, Nagpur 440 026 Maharashtra, so as to reach by 6.00 p.m. on September 24, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

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

The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e. August 29, 2014.

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

The Results will be declared at the 53rd Annual General Meeting of the Company.

- 10) To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
- 11) Shri. Swastik Jin, Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot, in a fair and transparent manner.
- 12) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shardaispat.com and on the website of CDSL www.evoting.cdsl.com within 2 (two) days of passing of the resolutions at the 53rd AGM of the Company on September 29, 2014 and communicated to the BSE Limited and Ahmadabad Stock Exchange/ Pune Stock Exchange, Calcutta Stock Exchange, where the shares of the Company are listed.
- 13) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- 14) Since the securities of the Company are already admitted on both the depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) the members have got option for dematerializing their shares.
- 15) Members are requested to make all correspondence relating to physical shares, transfer of shares, dematerialization of shares, bank mandate, registration of e-mail address to R & T Agent of the Company at the following address :

ADROIT CORPORATE SERVICES PRIVATE LIMITED

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



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

Item Nos. 4 to 6 ;

Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri are Independent Directors of the Company and having been holding the positions as such at various times in compliance with the provisions of Clause 49 of the Listing Agreement.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58th Annual General Meeting of the Company in the calendar year 2019.

Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri H.K. Dass, Shri R. P. Mohanka and Shri Ramesh Mantri. The Company has also received declarations from Shri H.K. Dass, Shri. R. P. Mohanka and Shri. Ramesh Mantri that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri H.K. Dass, Shri R.P. Mohanka and Shri. Ramesh Mantri fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri are independent of the management.

Brief resume of Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given hereinbelow.

Copy of the draft letters for respective appointments of Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri H.K. Dass, Shri R.P. Mohanka and Shri. Ramesh Mantri are interested in the resolutions set out respectively at Item Nos. 4 and 6 of the Notice with regard to their respective appointments.

The relatives of Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommend that the ordinary resolutions set out at item No. 4, 5, and 6 of the notice be



passed.

Item No. 7

The Board had on August 11, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Narendra Peshne and Associates, the Cost Auditors to conduct the audit of the Cost records pertaining to steel products maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of Rs. 30,000/- has been fixed for this purpose. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.7 of the Notice.

Item No. 8

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

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

The Board commends the Special Resolution set out at Item No.8 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.8 of the Notice.

Item No. 9

The existing Article 27 of the Articles of Association of the Company prohibits for retirement of whole time director of the Company. The existing Board of Directors of the Company comprises of Chairman & Managing Director, Whole Time Director and three Independent Directors. In terms of provisions of section 149(13) of the Companies Act, 2013 (the Act) the independent directors are not liable to retire by rotation and further Managing Director can not also retire by rotation. In view of complying with the provisions of section 152(6) of the Act the Company has no alternative other than subjecting the only Whole time Director of the Company to retire by rotation.

Hence, in order to remove the existing prohibitory provision as regards to retirement of the whole time director, in the Articles of Association it is necessary to alter the existing Article 27 enabling the Company to follow retirement of directors provisions in the Act.

Further, under section 203 of the Act the same person can not be appointed/ re-appointed as Chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time unless the Articles of Association of the company otherwise provides. Since there is no such enabling provision in the existing Articles of Association of the Company it is necessary to amend the Articles of Association inserting therein a additional Article providing for appointment / re-appointment of the same person as Chairperson as well as Managing Director or Chief Executive Officer.



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

Shri N.K. Sarda and Smt Poonam Sarda are interested in the resolution set out at Item Nos. 9 of the Notice with regard to continuation of Shri N.K. Sarda as Chairman & Managing Director.

The relatives of Shri N.K. Sarda and Smt Poonam Sarda may be deemed to be interested in the resolution set out at Item Nos. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the Members.

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Smt. Poonam Sarda	Shri. R P Mohanka	Shri. H K Dass	Shri. Ramesh Mantri
Date of Birth	04/02/1972	10/05/1948	01/07/1935	11/05/1952
Date of Appointment	21/01/2010	01/11/2009	31/12/2000	21/01/2010
Expertise in specific functional areas	Company Whole Time Director with business experience	Wide experience in the field of Finance and Accounts	Rich experience in Mining & Steel	Rich experience in banking and management
Qualifications	C.A. Final (Appeared)	Chartered Accountant	Mining Engineer	B. Com (Final)
Directorships held in other public companies	<ul style="list-style-type: none"> ▪ Sulakshna Trade Holdings Ltd. ▪ Pachissia Mercantiles Co.Ltd. 	<ul style="list-style-type: none"> ▪ Enbee Trade And Finance Limited ▪ Luk Plastcon Limited ▪ Gaurav Paper Mills Ltd. 	<ul style="list-style-type: none"> ▪ Vidarbha Industries Limited ▪ Sharda Ispat Industries Limited 	None
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	None	None	None	None
Shareholdings in the Company	1,23,060	Nil	Nil	Nil

Registered Office :
Kamptee Road,
Nagpur 440026
(CIN : L74210MH1960PLC011830)
Website : www.shardaispat.com

By Order of the Board of Director,

Date : 11.08.2014

N.K.Sarda
Chairman & Managing Director

**DIRECTORS' REPORT**

To

The Members of **SHARDA ISPAT LIMITED**

Your Directors take pleasure in presenting 53rd annual report on the business and operations of your company along with the summary financial statements for the year ended 31st March, 2014.

1) FINANCIAL RESULTS :

(Amt. in Rs.)

Sr. No.	Particulars	FY 2013-14	FY 2012-13
1	Sales and Service Charges	737,675,898	802,682,485
2	Profit before Interest and Depreciation	22,928,825	23,802,772
3	Less : Interest and Finance Charges	15,230,041	13,543,513
4	Less : Depreciation	7,411,208	7,066,027
5	Profit after Interest and Depreciation	287,576	3,193,232
6	Less : Provision for Taxation		
	a) Current Tax	2,050,000	2,855,000
	b) Income Tax (Earlier Years)	88,133	328,169
	c) Deferred Tax	(2,067,535)	(117,203)
7	Net Profit after Taxation	216,978	127,266
8	Add Brought forward Balance of Loss	(2,144,783)	(2,272,049)
9	Surplus or Deficit carried over to Balance Sheet	(1,927,805)	(2,144,783)



2. REVIEW OF OPERATIONS & FUTURE OUTLOOK:

The financial year 2013-2014 has been a challenging year with subdued economic growth, due to higher inflation, higher interest rates, lower industrial growth and lower investments in the country, along with poor condition of the global economy. The said causes have affected the growth of the industry limiting the product demand with compressed margin.

During the year under review, despite the adversities the production performance of the Company has been almost at par as compared to the previous year. However, the lower demand for the products and the high cost of raw materials have been the main causes bringing the financial performance of the Company at marginal level.

During the period, the Company witnessed the sales turnover of Rs. 8284.83 Lacs (Own Unit 8242.52 Lacs and Conversion / Service 42.30 Lacs) as against Rs. 9018.41 Lacs (Own unit : 8997.89 Lacs and Conversion / Service 20.52 Lacs) during the previous year. After providing Rs. 74.11 Lacs for depreciation and Rs.152.30 Lacs against interest and further providing Rs. 70,598/- towards taxation (Net), the Company posted net profit after tax of Rs. 2.17 Lacs as against Rs. 1.27 Lacs during the previous year.

Looking to the positive signs the businesses are presently reflecting your Directors look forward to better market conditions in the steel sector of the country. The Indian economy is expected to perform comparatively well in the coming years. With a stable government at the centre, significant policy changes are anticipated in the near future. The government focus on infrastructure development, more foreign direct investment inflow and more transparency in governance is likely to significantly increase the business confidence in the country.

Improving automobile and consumer durable sectors are expected to raise the flat steel demand compared to last year, while long steel demand is expected to fare relatively better due to an uptick in construction activities and the planned infrastructure growth.

3. DIRECTORS :

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Shri H.K. Dass, Shri R.P. Mohanka and Shri Ramesh Mantri as Independent Directors of the Company. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the said Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

In accordance with the requirements of the Act and the Articles of Association of the Company, Smt. Poonam Sarda retires by rotation and is eligible for re-appointment.

4. PUBLIC DEPOSITS :

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

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

The Auditor's Report and its Annexures are self-explanatory. M/s Loya Bagri & Co., Chartered Accountants, Nagpur retire as Statutory Auditors of the Company at the conclusion of 53rd Annual General Meeting and are eligible for re-appointment.

Clause No. (7) of the Auditor's Report needs explanation:

Steps are being taken to make necessary application to the Company Law Board/Regional Director for composition of the irregularities in that behalf.

6. LISTING OF SECURITIES :

The Shares of the Company continued to be listed at the stock exchanges namely Bombay, Ahmadabad, Kolkata and Pune. The Company has made due payment of the listing fees in respect of the financial year 2014-2015.

7. PARTICULARS OF EMPLOYEES :

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

8. 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.

9. DIVIDEND :

Due to inadequate profit, your Directors express their inability to recommend any dividend for this year.

10. CORPORATE GOVERNANCE :

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

11. DIRECTORS' RESPONSIBILITY STATEMENT :

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

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



- ii) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2014.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a 'going concern' basis.

12. DEMATERIALIZATION OF SHARES :

The Company has established electronic connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar & Transfer Agent of the Company M/s Adroit Corporate Services Private Limited. As on 31.03.2014, 24,76,440 shares have been dematerialized representing 48.78% of the total shares of the Company. The International Securities Identification Number (ISIN) of the Company is INE 385M01012.

13. INDUSTRIAL RELATIONS ;

During the period under review, the industrial relations have been cordial.

14. ACKNOWLEDGEMENTS:

Your directors are pleased to place on record their sincere gratitude to Nagpur Nagrik Sahakari Bank Limited and other Bankers of the Company for their continued financial assistance and co-operation extended to the Company during the year.

The Directors wish to convey their appreciation to all of the Company's employees for their sincere efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Directors

Place : Nagpur

Date : 11.08.2014

N.K.Sarda
Chairman & 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 31.03.2014.
- ii. The inflow of foreign exchange is Nil
- iii. The outflow of foreign exchange is Nil

FORM 'A'
(See Rule 2)

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

	March 2014	March 2013
D. Power and Fuel Consumption		
1. Electricity :		
a) Purchased : Units (No.)	1,881,700	1,980,020
Total Amount (Rs.)	12,267,898	14,549,756
Average Rate /Unit (Rs.)	6.52	7.36
b) Own Generation	Nil	Nil
2. Steam Coal :		
Quantity (Tonnes)	2,917	4,623
Total Cost (Rs.)	13,642,880	19,791,063
Average Rate / Tonne (Rs.)	4,677	4,281
3. Furnace Oil :		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate / K. Ltrs.(Rs.)	Nil	Nil
4. Other / Internal Generation	Nil	Nil
5. Consumption per MT of production (Standards if any)		
Products (with details) Unit		
Rolled Iron & Steel (in MT)	16,205	20,100
Electricity (in Units)	116.12	98.51
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B'Grade) (in MT)	0.180	0.230
Excluding Shell & Dust		
Other (Specify)	Nil	Nil

For and on behalf of the Board of Directors

Place : Nagpur
Date : 11.08.2014

N.K.Sarda
Chairman & Managing Director



AUDITOR'S CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
SHARDA ISPAT LIMITED
NAGPUR.

- 1) We have examined the compliance of conditions of Corporate Governance by SHARDA ISPAT LIMITED for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause-49 of the above mentioned Listing Agreement.
- 4) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Nagpur, Dated the,
30th May, 2014



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

B) Code of Conduct For Senior Management Personnel :

- 1) They should ensure proper maintenance of books, records, files etc. and suitable system procedures and practice for the purpose.
- 2) The officers shall not involve themselves in fraudulent dealing in securities.
- 3) They should discharge their department duties and responsibilities with due observation of the relevant statutory provision.
- 4) They should avoid the government officials from making undue/improper benefits through the Company.
- 5) The officers shall not indulge themselves in any anti-competitive conduct.
- 6) The officers should respect each other and create a congenial atmosphere.
- 7) The officers should extend their full co-operation during investigations of alleged violation of law, if any.
- 8) The officers shall not misuse the name of 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. MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY:

Across the nature economies, year 2014 economic growth outlook has improved significantly to 2.2 percent compared to 1.3 percent in 2013. The uptick is primarily due to United States with growth by more than 1 percent, from 1.9 percent in 2013 to 3 percent in 2014. The recovery of Eurozone from its negative growth of (0.3) percent in 2013 to 1 percent in 2014 also contributed to this improvement in mature economies. India's economic growth rate in the current financial year has been estimated at 4.9 percent, a faster pace than in the previous year, mainly on an improved performance in the agriculture and allied sectors. The growth in GDP during 2013-14 is estimated at 4.9 percent as compared to the growth rate of 4.5 percent in 2012-13.

OVERVIEW :

During the financial year 2013-2014 the Company witnessed decline in its sales performance over the previous year due to lesser demand for the products. Nevertheless, the profitability of the Company has been getting affected largely due to high cost of raw materials.

INDUSTRY STRUCTURE AND DEVELOPMENTS / STEEL INDUSTRY OVERVIEW :

During the fiscal 2013-2014 India witnessed slow average annual Industrial growth primarily due to slowdown in industrial growth rate. As such, the industry growth rate in India has been registering steady growth over the past years. This has given a major boost to the Indian economy. The Government of India must continue to make efforts to boost the industrial sector in the country. This will in turn help to grow the Country' economy. Huge constructions, high consumption of industrial goods in the country added with substantial export thereof have contributed to industrial growth.

STEEL INDUSTRY :

Post liberalisation in 1991 Indian steel industry has attained a substantial growth on domestic as well as global platform. Growing in pace with the economy Indian steel industry has positioned itself as the largest sponge iron producer and the fourth largest crude steel producer in the world. Though effect of global economic recession post 2008 was witnessed by steel sector globally, but Indian steel industry showed resilience and growth due to robust domestic demand. The credit of Indian steel industry's growth goes to policies of government and Indian public and private sector steel producers.

FUTURE OUTLOOK BRIGHTER PROSPECTS:

The future of the Indian steel industry is bright. The government plans to increase infrastructure spending from the current 5 per cent GDP to 10per cent by 2017, and the country is committed to investing US\$ 1 trillion in infrastructure during the 12th Five-Year plan. "Taking 15 per cent as steel component in the total investment, then it can generate additional demand worth US\$ 75 billion of steel in the next few years or US\$ 15 billion worth of additional demand a year or in terms of quantity, an additional demand of 18.75 MT per annum.

With urban population increasing globally, there is a greater need for steel to build public-transport infrastructure. Emerging economies will also continue to be a major driver of demand as these necessitate a huge amount of steel for urbanisation and industrialisation.

OPPORTUNITIES AND THREATS:

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Nagpur offer scope for



seamless value addition in its manufacturing process from hot metal to stainless steel. Your Company is also well positioned in its conscious adherence to a modular project implementation, thereby enabling ploughing of internal accruals in future projects, thereby reducing costs related to financing. The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in implementation of project may lead to opportunity loss in revenue generation and rise in costs.

RISK MANAGEMENT:

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

a) Systems - Your Company has implemented ERP, the software for Enterprise Resource Planning and integrated its operations to use best business and commercial practices.

b) Statutory Compliances - Procedure is in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors at its meetings.

FINANCE REVIEW AND ANALYSIS:

During the period under review the Company posted sales turnover of Rs. 8284.83 Lacs (Own Unit 8242.52 Lacs and Conversion / Service 42.30 Lacs) as against Rs. 9018.41 Lacs (Own Unit 8997.89 Lacs and Conversion / Service 20.52 Lacs) during the previous year. After providing Rs. 74.11 Lacs for depreciation and Rs. 152.30 Lacs against interest and further providing Rs. 70,598/- towards taxation (Net), the Company earned net profit after tax of Rs. 2.17 Lacs as against Rs. 1.27 Lacs during the previous year. The decline in operational as well as financial performance of the company has been due to slackened demand for the products and inflationary trend in the cost of inputs.

DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Your Company recognizes the fact that manpower is one of the vital constituents of a successful organisation. The success of any business lies under the qualified, trained & motivated Human Resources. The company gives more importance to the development of Human Resources than any other Resources. The company updates its HR policy in line with the changing system in the industry as a whole the company takes adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company.

INTERNAL CONTROL AND SYSTEMS:

The internal control systems in your Company commensurate with the size and nature of its operations and periodic audits are conducted in various disciplines to ensure adherence to the same. During the year Internal Auditors of your Company had independently evaluated the adequacy and efficacy of the audit controls. The Board and the management review the findings and recommendations of the auditors and take corrective actions, whenever necessary. The Board considers risk assessment, identification of mitigating actions and internal control procedure to ensure that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically appraised of the key risks.

OUTLOOK:

Indian steel industry requires reliable and economical raw material supplies to remain competitive on global platform. Being deficient in coal and rich in iron ore fines India needs to adapt steel making technologies which are suitable for low grade Indian coal and iron ore fines. India requires technology inputs and investments to increase sintering and pelletisation facility



for making use of iron ore fines. Indian companies need to acquire coking coal assets overseas to assure uninterrupted and economic supply of coking coal for its steel Industry.

With open trade policy for steel, Indian steel industry faces global competition, hence to remain competitive and profitable it has to adapt latest and efficient technologies. Using latest technologies can boost steel companies business with advantages of scale, quality, productivity, safety and higher margins. As overall exposure of Indian steel industry to latest technology remains low, so there is a huge potential for increase in production and process optimisation. Also with development and use of technologies suitable for steel making using iron ore fines and low grade Indian coal, Indian steel Industry can have advantage of raw material security and sustainability. Indian steel industry is aiming for high growth during the next 5-7 years, supported by economic growing and positive change in consumption behavior of the large and growing population. The prime factors which will support growth of Indian steel Industry are demand driving factors, government policies and capacity addition plan for steel.

CAUTIONARY STATEMENT:

Statements in this "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, input availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

III. 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 auditor's 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 :

During the year under review, the Board of Directors of the Company comprised of total 5 (Five) Directors, out of which 3 (Three) Directors are Non-executive and Independent. The Chairman of the Board is a Executive Director. The presence of 3 (Three) independent Directors on the Board as stated above is in conformity with the provisions of Corporate Governance.

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

B. Meetings & Attendance :

9 (Nine) Meetings of Board of Directors were held during the financial year ended 31st March, 2014. These were held on :-

Meetings

Sr. No.	Date of Board Meeting
1	23.04.2013
2	29.05.2013
3	23.07.2013
4	14.08.2013
5	01.09.2013
6	30.10.2013
7	12.02.2014
8	20.03.2014
9	31.03.2014

Attendance:

Sr. No.	Name of Director	Attendance at the Board Meeting	Attendance at the Last AGM
1	Shri N.K. Sarda	9	Yes
2	Smt Poonam Sarda	9	Yes
3	Shri H.K. Dass	7	Yes
4	Shri R.P. Mohanka	8	Yes
5	Shri Ramesh Mantri	5	Yes

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

Sr. No.	Name of Director	No. of Outside Directorships Held	Chairman / Member of Other BOD/Board Committee
1	Shri N.K. Sarda	3	Nil
2	Smt Poonam Sarda	2	Nil
3	Shri H.K. Dass	2	Nil
4	Shri R.P. Mohanka	3	Nil
5	Shri Ramesh Mantri	0	Nil

Note :

The Directorships held by directors as mentioned above, do not include alternate Directorships & Directorships in private limited companies.

D. Remuneration of Directors :

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

Sr. No.	Name of Director	Salary including perquisites	Services
1	Shri N.K. Sarda	Rs. 15.00 Lacs	5 Years (Till 31.03.2017)
2	Smt Poonam Sarda	Rs. 12.00 Lacs	5 Years (Till 31.03.2017)
3	Shri H.K. Dass	Nil	Nil
4	Shri R.P. Mohanka	Nil	Nil
5	Shri Ramesh Mantri	Nil	Nil

Note :

Shri. N.K. Sarda & Smt. Poonam Sarda are entitled to contribution to provident fund, gratuity and encashment of leaves in addition in salary and perquisites.

Re-appointments:

Shri. H.K. Dass is liable to retire by rotation and being eligible, offers himself for re-appointment 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.

During the year under review, the composition of the committee was as under :

Composition:

Sr. No.	Name of Member (Director)	Nature of Directorship	Designation in the Committee
1	Shri R.P. Mohanka	Independent Director	Chairman
2	Shri Ramesh Mantri	Independent Director	Member
3	Shri H.K. Dass	Independent Director	Member



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, (4) Four meeting(s) were held on 28.05.2013, 13.08.2013, 29.10.2013, 11.02.2014.

Sr. No.	Name of Member (Director)	Attendance
1	Shri R.P. Mohanka	4
2	Shri Ramesh Mantri	4
3	Shri H.K. Dass	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, the performance of 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 as well as post audit discussion to ascertain any area of concern.
- 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 with composition as under :

**Composition:**

Sr. No.	Name of Member (Director)	Nature of Directorship	Designation in the Committee
1	Shri R.P. Mohanka	Independent Director	Chairman
2	Shri Ramesh Mantri	Independent Director	Member
3	Shri H.K. Dass	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 under review since there was no relevant matter to be dealt with by the Committee.

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. The composition of the Committee is as under :

A. Composition of the Committee :

Sr. No.	Name of Member (Director)	Nature of Directorship	Designation in the Committee
1	Shri H.K. Das	Independent Director	Chairman
2	Shri N.K. Sarda	Chairman & Managing Director	Member
3	Smt Poonam Sarda	Whole Time Director	Member

**B. Meetings and Attendance :**

During the year under review, four meetings were held on 02.08.2013, 06.12.2013, 13.12.2013 and 28.03.2014.

Sr. No.	Name of Member (Director)	Attendance
1	Shri H.K. Das	4
2	Shri N.K. Sarda	4
3	Smt Poonam Sarda	4

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

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

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

VII. GENERAL BODY MEETINGS :

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

For the year ended	Date	Time	Venue
31.03.2013	30.09.2013	10.00 A.M.	Registered Office of the Company at Kamptee Road, Nagpur 440026
31.03.2012	31.08.2012	10.00 A.M.	
31.03.2011	30.09.2011	10.00 A.M.	

Resolution Passed By Postal Ballot :

No 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 restrictions have been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to Capital markets.

IX. MEANS OF COMMUNICATION :

The financial results (statements) in the prescribed proforma on Quarterly basis are being sent to the Stock Exchanges as per norms prescribed under the Listing Agreement.

1. Half Yearly report sent to each household of shareholders : No
2. Newspapers in which Quarterly results are normally published : The Indian Express & Loksatta
3. Web site where quarterly results are displayed : www.shardaispat.com
4. Analysis is a part of Annual Report : No

**X. GENERAL SHAREHOLDERS INFORMATION :**

1. Annual General Meeting : Monday, the 29th September, 2014 at 10 A.M. at the Registered Office of the Company at Kamptee Road , Nagpur-440026.
2. Tentative Calendar for the Financial Year ending March 31, 2015.

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

Sr. No.	Particulars of Quarter	Tentative dates
1	First Quarter Results ending 30.06.14	On or before Second week of August, 2014
2	Second Quarter & Half Yearly Results ending 30.09.2014	On or before Second week of November, 2014
3	Third Quarter and Nine Months Results ending 31.12.2014	On or before Second week of February, 2015
4	Fourth Quarter and Annual Results ending 31.03.2015	On or before Second week of May, 2015

3. Book Closure Date : 26th September, 2014 to 29th September, 2014

4. Dividend Payment Date : Not Applicable

5. Listing on Stock Exchanges:

The company's shares are listed on The Bombay Stock Exchange Ltd., The Calcutta Stock Exchange, Ahmedabad Stock Exchange and Pune Stock Exchange.

The Listing fees for the year 2013-2014 have been paid to Bombay Stock Exchange only.

6. As per Grading

- | | |
|-----------------------------------|--------|
| (a) The Stock Exchange, Mumbai | 513548 |
| (b) The Stock Exchange, Kolkata | 029292 |
| (c) The Stock Exchange, Pune | 13548 |
| (d) The Stock Exchange, Ahmedabad | 52710 |

7. Stock Price Data of the Company's Equity Shares:

Month	Price of Transfer	
	HIGH	LOW
APRIL - 2013	Nil	Nil
MAY - 2013	Nil	Nil
JUNE - 2013	Nil	Nil
JULY - 2013	Nil	Nil
AUG - 2013	Nil	Nil
SEPT - 2013	Rs.4/-	Rs.4/-
OCT - 2013	Nil	Nil
NOV - 2013	Nil	Nil
DEC - 2013	Nil	Nil
JAN - 2014	Nil	Nil
FEB - 2014	Nil	Nil
MAR - 2014	Rs.10/-	Rs.10/-



8. Registrar and Transfer Agent : Adroit Corporate Services Pvt. Ltd, 19/20, Jaferbhoy Industrial Estate, Makwana Road Marol Naka, Marol, Andheri, (E), Mumbai 400059.

9. Share Transfer and investors' Grievances Redressal System:

The Shareholders / Investor Grievances Committee approves and monitors the transfer and transmission of shares, and allied matters relating thereto. As regards to execution of share transfer work and dematerialization of shares the Company avails services of M/s. Adroit Corporate Services Private Limited, which have got adequate Infrastructure to process the share transfers and effect dematerialization and rematerialization of shares. The share transfers, dematerialization / rematerialization requests are received and processed promptly subject to transfer documents/DRF requests are valid and complete in all respects. The said Company is having adequate facility to respond and attend investors' grievances at the earliest.

10. Shareholding Pattern as on 31.03.2014 :

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1	Promoters' Holding : - Indian Promoters - Foreign Promoters	320,600 Nil	6.32 Nil
2	Persons acting in concert	3,487,000	68.68
3	Non-promoters' Holding - FIIS - 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	482,600 15,000 771,600 Nil	9.50 0.30 15.20 Nil
	GRAND TOTAL	5,076,800	100.00

**11. Distribution of shareholding as on 31.03.2014 :**

Shares Slab	Shareholder	%	Total Share	Amount (Rs.)	%
Upto - 100	1,612	56.28	1,61,110	16,11,100	3.17
101 - 500	986	34.43	2,82,090	28,20,900	5.56
501 - 1000	131	4.57	1,14,300	11,43,000	2.25
1001 - 2000	43	1.50	68,900	6,89,000	1.36
2001 - 3000	12	0.42	32,700	3,27,000	0.64
3001 - 4000	18	0.63	65,400	6,54,000	1.29
4001 - 5000	2	0.07	10,000	1,00,000	0.20
5001 - 10000	13	0.45	1,08,900	10,89,000	2.15
10001 - 20000	8	0.28	1,21,300	12,13,000	2.39
20001 - 50000	17	0.59	5,48,910	54,89,100	10.81
50001 - above	22	0.77	35,63,190	3,56,31,900	70.19
Total	2,864	100.00	50,76,800	5,07,68,000	100.00

12. Dematerialisation of Shares and Liquidity

The Company's securities i.e. equity shares are already admitted on both the Depositories i.e. Central Depository Services India Ltd.,(CDSL) and National Securities Depository Ltd. (NSDL) on 11th January 2012.

13. Plant Locations :

Kamptee Road,
Nagpur 440026 (Maharashtra)

14. Address of Correspondence Registered Office :

Kamptee Road,
Nagpur 440026 (Maharashtra)

For and on behalf of the Board of Directors,

Place : Nagpur
Date : 30.05.2014

N.K.Sarda
Chairman & Managing Director

Smt. Poonam Sarda
Whole-Time Director



INDEPENDENT AUDITOR'S - REPORT

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

Report on the Financial Statements:

1. We have audited the accompanying financial statements of Sharda Ispat Ltd., Nagpur, which comprise the Balance Sheet as at 31st March, 2014, the statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2014,
 - ii) in the case of the statement of Profit & Loss, of the Profit for the year ended on that date, and,
 - iii) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Emphasis of Matter:

7. We draw attention to the transactions covered under section 297 of Companies Act, 1956, the previous sanction of central government under section 297 of the companies act, 1956 was not made available.

Report on Other Legal and Regulatory Requirements:

8. As required by the Companies (Auditor's Report) Order, 2003, (the Order), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the order.
9. As required by section 227(3) of the Act, we report that :
 - a. 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.
 - b. 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.
 - c. The Balance Sheet and the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and the Statement of Profit & Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with General Circular 15/2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and
 - e. On the basis of written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

(GOPALDAS BAGRI)
Partner. (M.No.002933)

Nagpur, Dated the,
30th May, 2014

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT OF****SHARDA ISPAT LTD.****(Referred to our Report of Even date)****On the Accounts as at 31st March, 2014**

- 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, there is no disposal of fixed assets 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. 327.70 Lacs from five parties have been taken during the financial year.
- (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) The payment of the principal amount and interest are regular.



- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us and as per the records of the company, the transactions of sales of goods, materials and services aggregating during the year exceeding Rs. 5 Lacs in value with each party as in the register in pursuance of section 301 of the Companies Act, 1956, which are of proprietary in nature and for which comparable market prices are not available and accordingly we are unable to comment on the reasonableness or otherwise of such transaction.
- 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 there under are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) According to the information & explanations given to us, the cost records under Section 209(1)(d) of the Companies Act, 1956 read with the Companies (Cost Accounting Records) Rules, 2011 have been maintained but we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) According to the information and explanations given to us & 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, Service 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, Service Tax, Custom duty, Excise duty and any other statutory dues which remained outstanding as at 31st March, 2014 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 following dues of Sales Tax and Excise duty as at 31st March, 2014, have not been deposited on account of disputes, are as under :-



Sr. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is pending
1.	Central Excise Act	Excise Duty	1,257,012	High Court Delhi
2.	Central Excise Act	Penalty	224,000	Commissioner of Central Excise, Indore
3.	Central Excise Act	Excise Duty & Penalty	1,760,778	CEGAT, Mumbai (Appeals), Nagpur
4.	Central Excise Act	Excise Duty & Penalty	2,264,530	Add. Commissioner of Central Excise, Custom and Service Tax, Nagpur
5.	Central Excise Act	Excise Duty & Penalty	1,963,762	Jt. Commissioner of Central Excise, Custom and Service Tax, Nagpur
6.	Central Excise Act	Excise Duty & Penalty	374,578	Dy. Commissioner Central Excise, Division I, Nagpur
7.	Central Excise Act	Service Tax	115,559	Dy. Commissioner Service Tax Cell, Nagpur
8.	Bombay Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	1,308,650	Joint Commissioner of Sales Tax (Appeals), Nagpur
9.	Central Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	237,211	Joint Commissioner of Sales Tax (Appeals), Nagpur
10.	Bombay Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	12,162,805	Joint Commissioner of Sales Tax (Appeals), Nagpur
11.	Central Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	3,015,700	Joint Commissioner of Sales Tax (Appeals), Nagpur

(Above Sr.No. 8, 9, 10 and 11 are in total. The allocation shall be made after final decision between demerged company and resultant companies) (Refer Note No. 28.2)

- x) As per Records of the company, the accumulated losses at the end of the financial year are less than 50% of its net worth. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- 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.



- 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.

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

Nagpur, Dated the,
30th May, 2014

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

**BALANCE SHEET AS AT 31ST MARCH 2014**

PARTICULARS	NOTES	31-03-2014	31-03-2013
1) EQUITY AND LIABILITIES			
A) SHARE HOLDERS' FUNDS			
a) Share Capital	1	50,768,000	50,768,000
b) Reserve & Surplus	2	(1,927,805)	(2,144,783)
B) NON CURRENT LIABILITIES			
a) Long-Term Borrowings	3	35,129,559	56,859,878
b) Deferred Tax Liabilities (Net)	4	10,328,400	12,395,935
c) Long-Term Provisions	5	2,418,691	1,745,607
C) CURRENT LIABILITIES			
a) Short-Term Borrowings	6	112,983,163	149,249,301
b) Trade Payables	7	70,653,026	40,581,809
c) Other Current Liabilities	8	43,533,100	58,682,877
d) Short-Term Provisions	9	2,349,340	3,090,395
	TOTAL	326,235,474	371,229,018
2) ASSETS			
D) NON-CURRENT ASSETS			
a) Fixed assets	10		
(i) Tangible Assets		48,635,844	55,991,084
(ii) Intangible Assets		99,898	132,318
b) Non-Current Investments	11	3,580,100	1,130,100
c) Other Non-Current Assets	12	4,555,866	5,872,866
E) CURRENT ASSETS			
a) Inventories	13	124,088,161	190,540,490
b) Trade Receivables	14	104,899,666	71,720,648
c) Cash and Cash Equivalents	15	1,722,966	7,921,787
d) Short-Terms Loans and Advances	16	5,282,329	2,308,737
e) Other Current Assets	17	33,370,644	35,610,990
	TOTAL	326,235,474	371,229,018
Significant Accounting Policies	27		
Notes to Financial Statements	28 to 34		

The Notes "1 to 17" & "27 to 34" form an integral part of the Balance Sheet.
As per Our report of even date attached.

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

(GOPAL DAS BAGRI)
Partner
M. No. 002933

Nagpur, Dated the
30th May, 2014

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

NANDKISHORE SARDA
Chairman & Managing Director

POONAM SARDA
Whole-Time Director



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDING 31ST MARCH 2014**

PARTICULARS	NOTES	31-03-2014	31-03-2013
1) REVENUE			
(I) Revenue From Operations (Gross)	18	828,482,666	901,841,006
Less : Excise Duty		<u>90,806,768</u>	<u>99,158,521</u>
Revenue From Operations (Net)		737,675,898	802,682,485
(II) Other Income	19	5,953,951	2,279,629
	Total Revenue	<u>743,629,849</u>	<u>804,962,114</u>
2) EXPENSES			
(III) Cost of Materials Consumed	20	563,958,625	766,647,028
(IV) Changes in Inventories of Finished Goods	21	96,512,070	(76,886,152)
(V) Employee Benefit Expenses	22	11,427,761	10,619,947
(VI) Finance Costs	23	15,230,041	13,543,513
(VII) Depreciation and Amortization Expenses	24	7,411,208	7,066,027
(VIII) Other Expenses	25	48,802,568	80,778,519
	Total Expenses	<u>743,342,273</u>	<u>801,768,882</u>
(IX) Profit Before Tax		287,576	3,193,232
(X) Tax Expenses :			
(1) Current Tax		2,050,000	2,855,000
(2) Income Tax (earlier years)		88,133	328,169
(3) Deferred Tax		(2,067,535)	(117,203)
(XI) Profit for the period		216,978	127,266
(XII) Earning per equity share :	26	0.04	0.03
Basic & Diluted			

Significant Accounting Policies & Notes to Accounts **27 to 34**

The Notes Numbers "1 to 34" form an integral Part of the Financial Statements

As per our report of even date attached.

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

(GOPAL DAS BAGRI)
Partner
M. No. 002933

Nagpur, Dated the
30th May, 2014

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

NANDKISHORE SARDA
Chairman & Managing Director

POONAM SARDA
Whole-Time Director



**NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2014**

PARTICULARS	31-03-2014	31-03-2013
NOTE "1"		
<u>SHARE CAPITAL</u>		
Authorized :		
51,00,000 Equity Shares of Rs. 10/- each (Previous Year : 51,00,000/- Equity Shares)	51,000,000	51,000,000
Issued :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800/- Equity Shares)	50,768,000	50,768,000
Subscribed & Paid Up :		
50,76,800 Equity Shares of Rs. 10/- each (Previous Year : 50,76,800/- Equity Shares)	50,768,000	50,768,000
TOTAL	50,768,000	50,768,000

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

<u>Equity Shares</u>	<u>As at March 31, 2014</u>		<u>As at March 31, 2013</u>	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at beginning of the year	5,076,800	50,768,000	5,076,800	50,768,000
Balance as at the end of the year	5,076,800	50,768,000	5,076,800	50,768,000

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

<u>Name of the Shareholders</u>	<u>As at March 31, 2014</u>		<u>As at March 31, 2013</u>	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Kyoto Merchandise Private Limited	400,000	7.88%	400,000	7.88%
Sulakshana Trade Holdings Limited	284,160	5.60%	284,160	5.60%
Anand Nandkishore Sarda	584,000	11.50%	584,000	11.50%
Asha Agriculture & Properties Pvt. Ltd.	526,500	10.37%	526,500	10.37%

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



PARTICULARS	31-03-2014	31-03-2013
NOTE "2"		
RESERVES & SURPLUS		
(a) Capital Reserve		
Balance as per last Balance Sheet	2,500,000	2,500,000
*Capital Subsidy		
(b) Securities Premium Reserve		
Balance as per last Balance Sheet	27,379,000	27,379,000
(c) Balance in Statement of Profit & Loss		
Balance as at the beginning of the year	(32,023,783)	(32,151,049)
Add : Profit of the year	216,978	127,266
Balance as at the end of the year	(31,806,805)	(32,023,783)
TOTAL	(1,927,005)	(2,144,783)

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

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

* (a) Deferred Payment Liabilities	2,138,273	4,261,664
(b) Unsecured loan against Vehicle	1,086,779	2,598,214
(c) Other Loans & Advances	31,904,507	50,000,000
TOTAL	35,129,559	56,859,878

*The company is entitled to defer its liability to pay sales tax (Including a portion of purchase tax) for a period of 10 years and is liable to pay the same in five annual installments thereafter in respect of its one unit at Kamptee Road. The gross deferred liability under Package Scheme of Incentives, 1988 was Rs. 1,24,47,153/-. The deferred liability payable as on 31.03.2014 is of Rs. 37,37,768/- (Previous Year Rs. 75,51,399/-) which is provided for on the basis of its net present value of Rs. 1,24,36,130/- as on 31.03.2014 (Previous Year Rs. 1,22,83,521/-).

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

Deferred tax Liability on account of :-		
Fixed Assets	10,813,490	12,778,634
Allowance under Income Tax Act	356,157	230,805
	<u>11,169,647</u>	<u>13,009,439</u>
Deferred Tax Asset on account of :-		
Other employee benefits	841,247	613,505
NET	10,328,400	12,395,935



PARTICULARS	31-03-2014	31-03-2013
NOTE "5"		
LONG TERM PROVISIONS		
Provision for Employee Benefit Gratuity Payable	2,418,691	1,745,607
TOTAL	2,418,691	1,745,607
NOTE "6"		
SHORT TERM BORROWINGS		
Secured		
Working Capital Loans From Banks	67,260,599	79,448,734
Unsecured		
(a) Loans from Related Parties	9,450,604	9,717,428
(b) Other Loans & Advances	36,271,960	60,083,139
	45,722,564	69,800,567
TOTAL	112,983,163	149,249,301
6.1 Working Capital Loan from Bank is secured against hypothecation of Stocks and Book Debts & Notarized Equitable Mortgage of House Property of one director and guaranteed by chairman cum Managing Director.		
NOTE "7"		
TRADE PAYABLES		
Trade Payables	70,653,026	40,581,809
TOTAL	70,653,026	40,581,809
NOTE "8"		
OTHER CURRENT LIABILITIES		
Advances from Customers	6,007,641	7,926,715
Current Maturities of Long Term Debt	1,511,435	1,355,077
Other Current Liabilities	36,014,024	49,401,085
TOTAL	43,533,100	58,682,877
NOTE "9"		
SHORT TERM PROVISIONS		
Provision For Income-Tax	2,050,000	2,855,000
Leave with Wages	299,340	235,395
TOTAL	2,349,340	3,090,395



NOTE "10"

Fixed Assets as at 31st March 2014

ASSETS	Gross Block on Opening Date Rs.	Additions During the Year Rs.	Sales or Adjustments Rs.	Gross Block on Closing Date Rs.	DEPRECIATION				Net Block As on Closing Date Rs.	Previous Year Rs.
					Upto Last Year Rs.	Adjustment Rs.	For the Year Rs.	Total Upto Closing Date Rs.		
(A) TANGIBLE ASSETS										
Land (Free Hold)	9,204,951	-	-	9,204,951	-	-	-	-	9,204,951	9,204,951
Buildings	20,070,231	-	-	20,070,231	11,518,267	-	670,346	12,188,613	7,881,618	8,551,964
Plant & Machinery	140,697,009	-	-	140,697,009	107,674,739	-	6,185,438	113,860,177	26,836,832	33,022,268
Office Equipments	447,272	-	-	447,272	78,984	-	21,245	100,229	347,043	368,285
Computers	233,706	23,543	-	257,249	81,466	-	40,097	121,563	135,686	152,240
Vehicles	4,859,598	-	-	4,859,598	168,222	-	461,662	629,884	4,229,714	4,691,376
(B) INTANGIBLE ASSETS										
Software	200,000	-	-	200,000	67,682	-	32,420	100,102	99,898	132,318
Total	175,712,767	23,543	-	175,736,310	119,589,360	-	7,411,208	127,000,568	48,735,742	56,123,402
Previous Year	169,652,183	6,060,584	-	175,712,767	112,523,338	-	7,066,027	119,589,365	56,123,402	57,128,845

10.1 The Car Audi A6 (MH-49-B-2101) has been registered in the name of Chairman & Managing Director as the loan was obtained in personal capacity due to personal guarantee of the Chairman & Managing Director. The Company has issued post dated cheques to the Bank for the repayment of the loan made available to the Chairman & Managing Director. After repayment of the loan the car shall be transferred/registered in the name of the company. However finance charges and depreciation alongwith the running expenditure have been recorded in the books of the company as the absolute possession of car is with the company. The gross value of the Car is Rs. 48,59,598/- and the outstanding loan as on 31st March, 2014 is Rs. 25,98,214/- (Previous year Gross value of Rs. 48,59,598/- & Loan Outstanding of Rs. 39,33,291/-).

PARTICULARS	31-03-2014	31-03-2013
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NOTE "11"

NON CURRENT INVESTMENTS

Other Investments (Unquoted)

Investments in Equity Instruments (Valued at cost unless stated otherwise) 71502 Equity Shares of Nagpur Nagrik Sahkari Bank Ltd. of Rs. 50/- each (Previous Year 22502 Equity Shares)	3,575,100	1,125,100
Reliance Money Manager Fund	5,000	5,000

TOTAL 3,580,100 1,130,100

NOTE "12"

OTHER NON-CURRENT ASSETS

Unsecured, considered good:

Security Deposits	4,555,866	5,872,866
TOTAL	<u><u>4,555,866</u></u>	<u><u>5,872,866</u></u>



PARTICULARS	31-03-2014	31-03-2013
NOTE "13"		
<u>INVENTORIES</u>		
Raw Material	54,645,956	29,444,727
Finished Goods	61,534,260	158,046,330
Stores & Spares	7,907,945	3,049,433
TOTAL	124,088,161	190,540,490
NOTE "14"		
<u>TRADE RECEIVABLES</u>		
Unsecured, considered good :		
Exceeding Six Months	12,490,343	1,013,496
Others	92,409,323	70,707,151
TOTAL	104,899,666	71,720,648
NOTE "15"		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	14,466	72,854
<u>Balances with Bank</u> ✓		
On Current Accounts	353,351	4,291,933
On Deposit Account (with maturity of more than 12 months)	1,125,000	1,125,000
<u>Other Bank Balances</u>		
Deposits (with maturity less than 12 months)	230,150	2,432,000
TOTAL	1,722,966	7,921,787
NOTE "16"		
<u>SHORT TERM LOANS AND ADVANCES</u>		
Other Loans & Advances		
Unsecured considered good :		
Advances for Purchases	5,202,229	2,269,337
Other Loans and Advances	80,100	39,400
TOTAL	5,282,329	2,308,737
NOTE "17"		
<u>OTHER CURRENT ASSETS</u>		
Balances with Government Authorities	30,163,853	32,913,661
Other Debit Balances	3,206,792	2,697,329
TOTAL	33,370,644	35,610,990



PARTICULARS	31-03-2014	31-03-2013
NOTE "18"		
REVENUE FROM OPERATIONS		
Sales of Manufacturing goods		
Iron & Steels	820,777,807	897,856,853
Sales of Others	3,474,410	1,931,984
Sales of Services		
Conversion Charges	4,230,449	2,052,169
TOTAL	828,482,666	901,841,006
NOTE "19"		
OTHER INCOME		
Interest Received	727,520	446,866
Rent Received	4,200	4,200
Other Receipts	3,333,026	805,805
Excess Provision Written Back	-	21,360
Dividend Received	112,510	112,510
Discount	1,441,317	-
Sales Tax Adjustments	-	670,866
Accounts Written Off	335,378	53,505
Liability no Longer Payable	-	164,517
TOTAL	5,953,951	2,279,629
NOTE "20"		
COST OF MATERIAL CONSUMED		
Opening Stock	29,444,727	52,732,823
Add : Purchases Including expenses	589,159,854	743,358,932
	618,604,581	796,091,755
Less : Closing Stock	54,645,956	29,444,727
Details of Raw Material Consumed Iron & Steel	563,958,625	766,647,028
TOTAL	563,958,625	766,647,028
NOTE "21"		
CHANGES IN FINISHED GOODS		
Opening Stock of Finished Goods	158,046,330	81,160,178
Less : Closing Stock of Finished goods	61,534,260	158,046,330
TOTAL	96,512,070	(76,886,152)



PARTICULARS	31-03-2014	31-03-2013
NOTE "22"		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salary, Wages & Bonus etc.	10,766,458	9,946,360
Contribution to Provident & Other Funds	566,939	580,328
Staff Welfare Expenses	94,364	93,260
TOTAL	11,427,761	10,619,947
NOTE "23"		
<u>FINANCIAL COSTS</u>		
Interest Expense	15,230,041	13,543,513
TOTAL	15,230,041	13,543,513
NOTE "24"		
<u>DEPRECIATION & AMORTIZATION EXPENSES</u>		
Depreciation	7,411,208	7,066,027
TOTAL	7,411,208	7,066,027
NOTE "25"		
<u>OTHER EXPENSES</u>		
Consumption of Stores & Spare Parts	2,124,123	2,738,973
Power & Fuel	25,910,778	34,340,819
Repairs & Maintenance to Plant & Machinery	1,534,048	2,209,927
Repairs to Building	595,255	296,117
Finished Goods Expenses	1,104,787	91,754
Rent Paid	2,471,300	2,467,800
Bank Charges & Interest on LC Disc.	5,960,627	7,266,209
Bank Processing Charges	105,600	-
FG Outward Transportation Charges	13,548,376	16,549,554
Factory Expenses	161,319	244,954
Excise Duty	(10,658,860)	7,569,024
Provision for Sales Tax Deferral	152,619	509,556
Keyman Insurance	1,000,000	1,000,000
Director Sitting Fees	5,500	6,000
<u>Payment to Auditors</u>		
Audit Fees	110,000	100,000
Taxation Matters	15,000	28,000
Other Miscellaneous Expenses	4,662,097	5,359,832
TOTAL	48,802,568	80,778,519
NOTE "26"		
<u>EARNING PER SHARE</u>		
Profit after Tax	126,978	127,266
No. of Equity Shares (weighted)	5,076,800	5,076,800
Earning Per Share	0.04	0.03
Nominal Value of per Equity Share (Rs.)	10	10

**27. SIGNIFICANT ACCOUNTING POLICIES :****27.1 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.

27.2 The method of Accounting :

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

27.3 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.

Impairment :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and the present value in use. In assessing value in use, the estimated future cash flows are discounted to the presented value by using weighted average cost of capital. A previously recognized impaired loss is further provided or reversed depending on changing circumstances.

27.4 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 prorata basis.

27.5 Inventory Valuation :

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

27.6 Revenue Recognition :

The Company generally follows mercantile system of accounting Sales are inclusive of excise duty and net of Sales Tax and discounts.

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

27.7 Investments :

Long term investments are stated at cost Current Investments are stated at cost or fair value whichever is lower. Wherever applicable, provision is made when there is a permanent fall in the value of investment.

27.8 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 is on basis of actuarial valuation carried out by an independent actuary using projected unit credit method.
- c) The Liability of Leave encashment is on the estimation basis.



	March 2014	March 2013
28. CONTINGENT LIABILITIES :		
Contingent liabilities not provided for are in respect of:		
28.1 Claims not acknowledged as debts by the Company on account of:		
a) Labour cases	233,816	929,669
28.2 Sales tax matters under appeal for which the Company denies liability. Total liabilities are of Rs. 1,71,19,366/- (Previous year Rs. 1,71,19,366/-) for the Company in total. The allocation shall be made after final computation in the demerged company and resultant companies.		
28.3 Excise Duty matters under appeal for which the Company denies liability.	9,596,543	8,800,073
29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.		
30. 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.		
31. Segment reporting:		
The financial results relate to mainly "Iron & Steel Products" segment, in accordance with Accounting Standard - 17 "Segment Reporting".		
32. Letters of confirmation of balances have not been received from Sundry Creditors, Sundry debtors and persons from whom advances & deposits have been received or to whom advances and deposits have been given.		
33. All Consumption of Stores & all Raw Material consumed are indigenous only.		
34. 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) Key Management Personnel		
Shri N. K. Sarda	Chairman & Managing Director	
Smt. Poonam Sarda	Whole Time Director	
(ii) Key Management Personnel		
Smt. Ashadevi Sarda		
(iii) Key Management Personnel or their relatives having significant influence		
Asha Agriculture & Properties Pvt. Ltd.		
Jaydeep Dealers Pvt. Ltd.		
Kyoto Merchandise Pvt. Ltd.		
Navdeep Agriculture & Properties Pvt. Ltd.		
M/s Sharda Dharamkanta		
Sharda Ispat Industries Ltd.		
Sharda Shree Ispat Ltd.		
Shree Surya Mining Co. Pvt. Ltd.		
Sulakshana Trade Holding Ltd.		



(b)

Nature of transaction	Key Management Personnel or their relatives having significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2014	2013	2014	2013	2014	2013
Purchase of Materials/Services						
Sharda Dharamkanta	185699	177992	-	-	-	-
Sharda Shree Ispat Ltd.	35098	26625	-	-	-	-
Sharda Ispat Industries Ltd.	2696640	-	-	-	-	-
Smt. Ashadevi Sarda	-	-	-	-	12000	-
Sales of Materials/Services						
Sharda Dharamkanta	4200	-	-	-	-	-
Sharda Shree Ispat Ltd.	1715131	2856513	-	-	-	-
Sharda Ispat Industries Ltd.	24958395	-	-	-	-	-
Sulakshana Trade Holdings Ltd.	6410340	-	-	-	-	-
Remuneration						
N. K. Sarda	-	-	1500000	1500000	-	-
Poonam Sarda	-	-	1200000	1200000	-	-
Loans Repaid						
Asha Agriculture & Properties Pvt. Ltd.	550000	-	-	-	-	-
Jaydeep Dealers Pvt. Ltd.	38859082	-	-	-	-	-
Kyoto Merchandise Pvt. Ltd.	9315972	20470851	-	-	-	-
Navdeep Agriculture & Properties Pvt. Ltd.	10517863	-	-	-	-	-
N. K. Sarda	-	-	11186825	14994211	-	-
Sharda Ispat Industries Ltd	1700000	-	-	-	-	-
Shree Surya Mining Co. Pvt. Ltd.	2300000	-	-	-	-	-
Sulakshana Trade Holdings Ltd.	17910741	25339959	-	-	-	-
Loans Received						
Asha Agriculture & Properties Pvt. Ltd.	550000	-	-	-	-	-
Kyoto Merchandise Pvt. Ltd.	9200000	27250000	-	-	-	-
Navdeep Agriculture & Properties Pvt. Ltd.	10400000	-	-	-	-	-
N. K. Sarda	-	-	10920000	254399	-	-
Sharda Ispat Industries Ltd	1700000	-	-	-	-	-
Shree Surya Mining Co. Pvt. Ltd.	2300000	-	-	-	-	-
Sulakshana Trade Holding Ltd.	9850000	32500000	-	-	-	-
Interest Paid						
Jaydeep Dealers Pvt. Ltd.	2774272	-	-	-	-	-
Sulakshana Trade Holdings Ltd.	226218	900700	-	-	-	-
N. K. Sarda	-	-	-	393684	-	-
Kyoto Merchandise Pvt. Ltd.	1247754	836823	-	-	-	-
Balance outstanding at year end						
Sulakshana Trade Holdings Ltd.	-	8060741	-	-	-	-
N. K. Sarda	-	-	-	266825	-	-
Kyoto Merchandise Pvt. Ltd.	18622978	17615972	-	-	-	-

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.

Signature to Notes '1' to '34'

As per our report of even date

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

(GOPAL DAS BAGRI)
Partner
M. No. 002933

Nagpur, Dated the
30th May, 2014

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

NANDKISHORE SARDA
Chairman & Managing Director

POONAM SARDA
Whole-Time Director

**Cash Flow Statement for the year ended 31st March, 2014**

	March, 2014	(Rs. in lacs) March, 2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	2.88	31.93
ADJUSTMENTS FOR		
Depreciation	74.11	70.66
Interest Expenses	152.30	135.44
Sales Tax Deferred	1.53	5.10
Interest Income	(7.28)	(4.47)
Dividend Income	(1.13)	-
	<u>219.54</u>	<u>206.72</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	222.41	238.65
Trade & Other Receivables	(319.89)	24.85
Inventories	664.52	(544.55)
Trade & Other Payables	128.03	(338.63)
	<u>472.67</u>	<u>(858.32)</u>
CASH GENERATED FROM OPERATIONS	695.09	(619.67)
Income Tax Paid	(6.95)	(18.27)
Net Cash / (Used in) from Operating Activities	<u>688.14</u>	<u>(637.94)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(0.24)	(60.61)
Purchases of Shares	(24.50)	-
Interest Received	7.28	4.47
Dividend Received	1.13	-
Net Cash / (Used in) from Investing Activities	(16.34)	(56.14)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(152.30)	(135.44)
Net Receipts of Borrowings	(581.49)	870.30
Net Cash / (Used in) from Financing Activities	<u>(733.79)</u>	<u>734.86</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(61.99)	40.78
Cash and Cash Equivalents (Opening Balance)	79.22	38.46
Cash and Cash Equivalents (Closing Balance)	17.23	79.22

- NOTES:** 1) The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard '3'.
 2) Cash and Cash Equivalents consist of cash, cheques in hand, balances with banks including fixed deposit receipts.
 3) 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. 105658 W
 Chartered Accountants

(GOPAL DAS BAGRI)
 Partner
 M. No. 002933

Nagpur, Dated the
 30th May, 2014

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

NANDKISHORE SARDA
 Chairman & Managing Director

POONAM SARDA
 Whole-Time Director



SHARDA ISPAT LIMITED

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

Email : silngp@rediffmail.com, Website : www.shardaispat.com

ATTENDANCE SLIP

I hereby record my presence at the 53rd Annual General Meeting held at Sharda Ispat Limited Office Premises, Kamptee Road, Nagpur 440 026, on Monday, 29th September, 2014 at 10.00 A.M.

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

SIGNATURE OF THE SHAREHOLDER OR PROXY:

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

**Form No. MGT-11****Proxy form**

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

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

Registered office: Kamptee Road, Nagpur 440 026, Maharashtra

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd. Annual general meeting of the company, to be held on the 29th day of September, 2014 At 10.00 a.m. at Sharda Ispat Limited Office Premises, Kamptee Road, Nagpur 440 026 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014
- 2 Re-appointment Smt Poonam Sarda (retiring Director) as Director
- 3 Appointment of Auditors and fixing their Remuneration
- 4 Appointment of Shri H.K. Dass as an Independent Director
- 5 Appointment of Shri R. P. Mohanka as an Independent Director
- 6 Appointment of Shri Ramesh Mantri as an Independent Director
- 7 Payment of remuneration to the Cost Auditor for the Financial year ending March 31, 2015
- 8 Authorization to Board for Borrowing
- 9 Alteration of Articles of Association

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

Affix
Revenue
Stamp

Signature of Shareholder :

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

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

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

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

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

Registered office: Kamptee Road, Nagpur 440 026 Maharashtra

BALLOT PAPER

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

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

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014			
2.	Re-appointment Smt. Poonam Sarda (retiring Director) as Director			
3.	Appointment of Auditors & fixing their Remuneration			
4.	Appointment of Shri. H.K. Dass as an Independent Director			
5.	Appointment of Shri. R. P. Mohanka as an Independent Director			
6.	Appointment of Shri Ramesh Mantri as an Independent Director			
7.	Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2015			
8.	Authorization to Board for Borrowings			
9.	Alteration of Articles of Association			

Place :

Date :

.....
(Signature of the shareholder)

.....
(Signature of First Proxy)

.....
(Signature of Second Proxy)

.....
(Signature of Third Proxy)