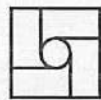


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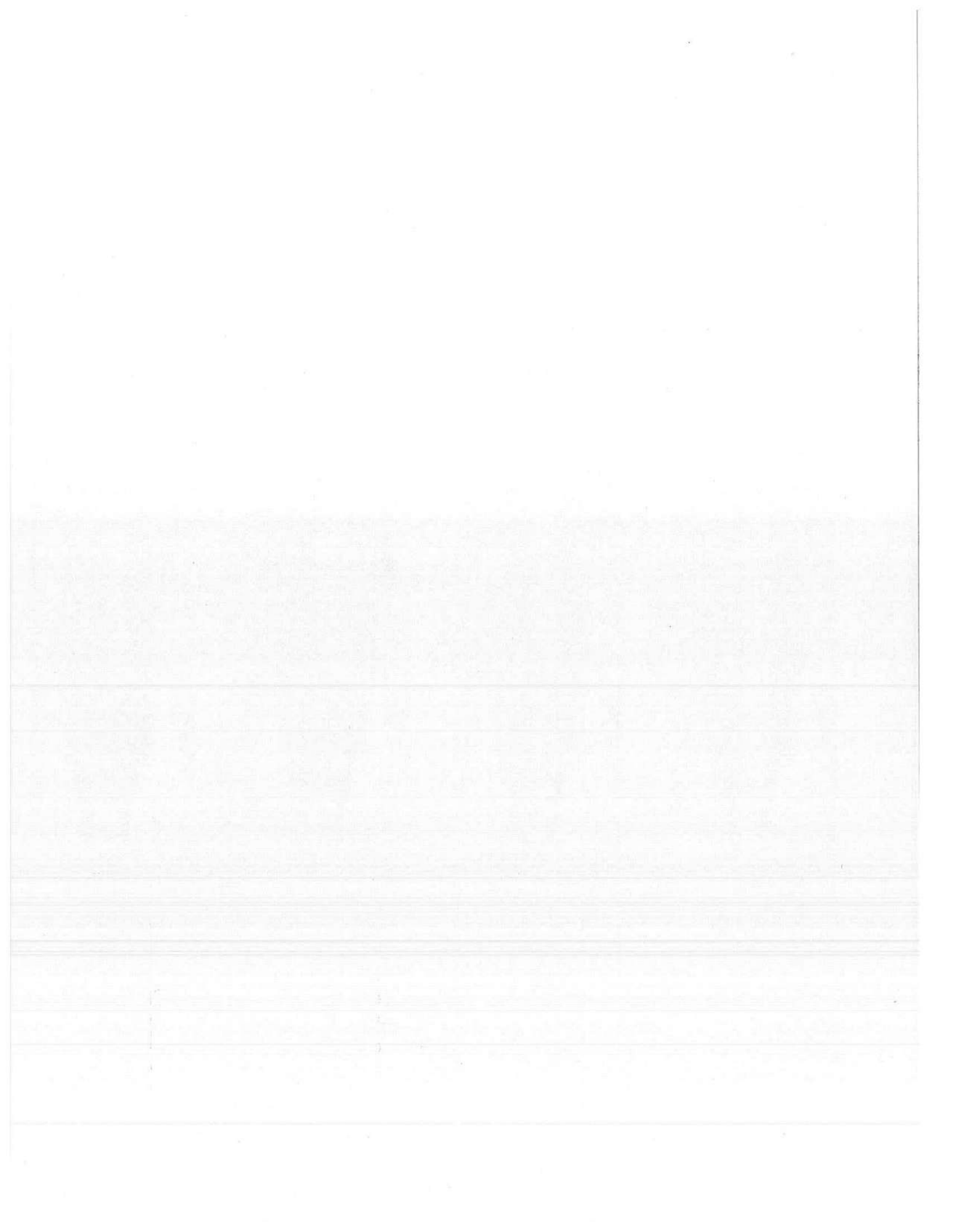
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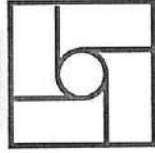


SHARDA ISPAT LIMITED
NAGPUR

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SHARDA ISPAT LIMITED, Nagpur

BOARD OF DIRECTORS

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

Company Secretary &

Compliance Officer

Secretarial Auditors

: SHRI. AMIT B. MUNDADA
: M/S. SUNIL KUMAR SHARMA & ASSOCIATES
Practicing Company Secretaries
2nd Floor, Samarth Building, Sona Restaurant
Square, CA Road, Gandhibagh, Nagpur - 440002.

Statutory Auditor

: M/s. SUBHASH CHAND JAIN
ANURAG & ASSOCIATES
Chartered Accountants,
Flat No. 203, Tower F, Godrej Anandam, World City,
Model Mill Compound, Ganeshpeth, Nagpur-18

Internal Auditor

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

Bankers

: NAGPUR NAGARIK SAHAKARI BANK LTD.

Registered Office

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

Corporate Office

: 'DA-ROCK', Plot No. 230, 6th Floor,
Hill Road, Shivaji Nagar, Nagpur-440010

Plant

: Kamptee Road, Nagpur - 440026

Address For

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

Correspondence to Share Department

17 - 20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Marol, Andheri (E), Mumbai - 400059

Website

: www.shardaispat.com

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

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

2. Nomination and Remuneration Committee

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

3. Stakeholders Relationship Committee

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

4. Corporate Social Responsibility Committee

| Sr.No. | Name of the Members | Position |
|--------|-------------------------|----------|
| 1. | Shri. Nandkishore Sarda | Chairman |
| 2. | Shri. R. P. Mohanka | Member |
| 3. | Shri. Ramesh Mantri | Member |

**SHARDA ISPAT LIMITED**

(CIN: L74210MH1960PLC011830)

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

NOTICE is hereby given that the 58th Annual General Meeting of the Members of Sharda Ispat Limited will be held on Friday, the 27th day of September, 2019 at 10.30 a.m. (I.S.T), at the Corporate office of the Company at Durgachowk, Plot no.230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur-440010, to transact the following business:

ORDINARY BUSINESS

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

“RESOLVED THAT the audited financial Statements for the financial year ended 31.03.2019 of the company and the Reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted.”

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

“RESOLVED THAT Smt. Poonam Sarda (DIN 00190512), the retiring director, be and is hereby re-appointed as Director of the Company, liable for retirement by rotation.”

SPECIAL BUSINESS

- 3) To approve the Remuneration of the Cost Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/re-enactment(s)/ amendment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 30,000/- payable to M/s. Narendra Peshne and Associates, Cost Accountants, Nagpur (Firm Registration No.100269) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution.”

**4) Re-appointment of Shri. Harish Dass as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Harish Dass (DIN:00419983), who was appointed as an Independent Director at the fifty-third Annual General Meeting of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Nomination and Remuneration committee of the board has recommended his appointment under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the calendar year 2024.”

5) Re-appointment of Shri. Rajendra Prasad Mohanka as an Independent Director:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Shri. Rajendra Prasad Mohanka (DIN 00235850), who was appointed as an Independent Director at the fifty-third Annual General Meeting of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Nomination and Remuneration committee of the board has recommended his appointment under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the calendar year 2024.”

6) Re-appointment of Shri. Ramesh Mantri as an Independent Director:

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



“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Ramesh Mantri (DIN:00414931), who was appointed as an Independent Director at the fifty-third Annual General Meeting of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and and in respect of whom the Nomination and Remuneration committee of the board has recommended his appointment under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the calendar year 2024.”

7) Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013:

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

“RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made there under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or a group Company, (in which any director is deemed to be interested) up to an aggregate sum of 50 Crores (Rupees Fifty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

8. Approval of Related Party Transaction under Section 188 of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) read with the Rule 15 of Companies (Meetings of



Board and its powers) Rules 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with Related parties as defined under the Act with respect to availing services from the related party given below."

| Name of Related Party | Nature of Relationship | Nature of transaction | Maximum Expected Value of the transaction per annum (Rs.) | Duration of transaction or Contract |
|---------------------------------|------------------------|---|---|-------------------------------------|
| Sharda Ispat Industries Limited | Associate Concern | Availing of Services (Premises on Rent) | 57,60,000/- | 3 years |

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010



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

The instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten 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 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto.
- 3) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- 4) The Register of Members and Share Transfer Books of the company will remain closed from 21.09.2019 to 27.09.2019 (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 the 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 Tuesday, September 24, 2019 (09:00 a.m. IST) and ends on Thursday, September 26, 2019 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, Friday, September 20, 2019 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 10) Non Resident Indian Members are requested to inform R & T Agent, immediately of:
- Change in their residential status on return to India for permanent.
 - Notify immediately any change in their address.



- c) Write to the Company's R & T Agent enclosing their share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).

The instructions for shareholders voting electronically are as under:

1. The voting period begins on September 24, 2019 (09.00 A.M. IST) and ends on September 26, 2019 (05.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 20, 2019 of (Record Date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on Shareholders.
5. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.■ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
20. **Note for Non Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
21. **In case of Members receiving the physical copy:**
 - (A) Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.
 - (B) The voting period begins on Tuesday, September 24, 2019 (09:00 a.m. IST) and ends on Thursday, September 26, 2019 (5:00 p.m. IST). During this period, shareholders' of the Company, holding shares as on Friday, September 20, 2019, (Cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help



section or write an email to 'helpdesk.evoting@cdslindia.com'.

Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company. Members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, at M/s. Sunil Kumar Sharma & Associates (Practicing Company Secretaries) 2nd Floor, Samarth Building, Sona Restaurant Square, C.A. Road, Gandhibagh, Nagpur-440002, Maharashtra, so as to reach by 5.00 p.m. on September 26, 2019. 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 the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e. September 20, 2019.

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

The Results will be declared on 28th day of September, 2019.

22. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
23. Effective from 01st April 2019, the shares of the Company can be transferred only in dematerialized form as per notification issued by SEBI. We therefore request you to dematerialize your shares in the Company to facilitate transfer of shares.
24. M/s. Sunil Kumar Sharma & Associates (Practicing Company Secretaries) has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot, in a fair and transparent manner.
25. 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 58th AGM of the Company on September 27, 2019 and communicated to the BSE Limited and Calcutta Stock Exchange, where the shares of the Company are listed.
26. The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
27. 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.
28. 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
17 - 20, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Marol, Andheri (E), Mumbai 400059

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

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out the material facts relating to Special Business mentioned under Item no's 3,4,5,6,7 and 8 in the accompanying Notice dated 13th August, 2019.

Item No.3

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with the Companies (Cost Records and Audit) Rules, 2014, (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), the Board of Directors of the Company shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as Cost Auditor, on the recommendations of the Audit Committee. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the Members. On the recommendation of the Audit Committee at its meeting held on Thursday, May 30, 2019, the Board has considered and approved the appointment of M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur, for the conduct of the audit of cost records of the Company for the financial year 2019-2020, at a remuneration as mentioned in the resolution forming part of this Notice. Accordingly, the consent of the Members is sought to the Resolution as set out at Item No. 3 of the Notice as an Ordinary Resolution for approval and ratification.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No. 4 to 6

Shri. Harish Dass, Shri. Rajendra Prasad 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 Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is proposed to appoint Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri as an Independent Directors under Section 149 of the Companies 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. To hold office for 5 (five) consecutive years for a term up to the conclusion of the 63rd Annual General Meeting of the Company in the Calendar year 2024.

Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has received recommendation from the Nomination and Remuneration Committee of the Board of Directors under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri. The Company has also received declarations from Shri. Harish Dass, Shri. Rajendra Prasad 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 Companies Act, 2013 and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri fulfill the conditions for appointment as an Independent Directors as specified in the Companies Act, 2013 and in the SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015. Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri are independent of the management.

Brief Resume of Shri. Harish Dass, Shri. Rajendra Prasad 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 sub-regulation (3) of Sub-regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are given herein below.

Copy of the draft letters for respective appointments of Shri. Harish Dass, Shri. Rajendra Prasad 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 sub-regulation (3) of Sub-regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri are interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The relatives of Shri. Harish Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri may be deemed to be interested in the resolutions set out respectively at Item nos. 4 to 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 recommends that the Special Resolutions set out at item No.4,5 and 6 of the notice be passed.

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

(In pursuance of sub-regulation (3) of Sub-regulation 36 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015.)

| Name of Director | Smt. Poonam Sarda | Shri Harish Dass | Shri Rajendra Prasad Mohanka | Shri Ramesh Mantri |
|---|--|-----------------------------------|--|---|
| Date of Birth | 04/02/1972 | 01/07/1935 | 10/05/1948 | 11/05/1952 |
| Expertise in specific functional areas | Company whole-time Director and Chief Financial officer with business experience | Rich Experience in mining & Steel | Wide experience in the field of Finance and Accounts | Rich experience in Banking and Management |
| Qualification | LLB & C.A. Final (appeared) | Mining Engineer | Chartered Accountant | B.Com (Final) |
| Directorships held in other listed entities | None | None | 1. Gaurav Paper Mills Limited 2. Jayaswal Neco Industries Limited | None |
| Membership/ Chairmanship of Committees of other listed entities | None | None | None | None |
| Shareholding in the Company | 1,28,060 | Nil | Nil | Nil |

**Item No.7**

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Sharda Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions of Section 185 of the Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities in the Sharda Group. Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures / associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution. The Board of Directors Recommend the Special Resolution for approval by the members. All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

Item No.8

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. Section 188(1) provides that no Company shall enter into any contract or arrangement with a related party except with the consent of Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014.

The provision of section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014, provides that the leasing of Property of any kinds to the Related Party requires to be approved by the shareholders by way of an ordinary resolution.

In light of above provision of the Companies Act, 2013 and rules made there under, the Audit committee and the Board of Directors of the Company have approved the transaction along with the annual limits that your company may enter with the related party for the financial year 2019-20, 2020-21 & 2021-22.

All disclosure prescribed to be given under the provision of the Companies Act, 2013 and the Companies (Meeting of the Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.



| Name of Related Party | Nature of Relationship | Nature of transaction | Maximum Expected Value of the transaction per annum (Rs.) | Duration of Transaction or Contract |
|---------------------------------|------------------------|---|---|-------------------------------------|
| Sharda Ispat Industries Limited | Associate Concern | Availing of Services (Premises on Rent) | 57,60,000/- | 3 years |

- a. Any advance paid or received for the contract or arrangement, if any. NIL
- b. Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transaction would be carried out as part of the business requirement of the Company and are ensured to be on arm's length basis.
- c. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factor have been considered.
- d. Any other information relevant or important for the board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to the second provision of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such ordinary resolution to approve any contracts or arrangement, if such member is a related party.

Yours directors recommend the resolution for your approval.

Except Shri. Nandkishore Ramniwas Sarda Chairman and Managing Director and Poonam Anand Sarda Whole-time Director & CFO of the company, none of the Directors, Key Managerial Person of the Company and their relatives is/are concerned or interested in the resolution.

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,

Shankar Nagar, Nagpur-440010



BOARD'S REPORT

Dear Members,

The Board of Directors takes pleasure in presenting the Company's 58th Annual Report and the Standalone Audited financial statement on the business and operational performance of the Company for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS : (STANDALONE)

The Company financial performance for the year ended 31st March, 2019 is summarized below.

(Amount in Rs.)

| Sr. No. | Particulars | 2018-2019 | 2017-2018 |
|---------|--|----------------|---------------|
| 1 | Gross Income | 1,15,50,59,724 | 89,31,25,943 |
| 2. | Profit Before Interest and Depreciation | 10,28,84,502 | 7,11,11,622 |
| 3. | Less: Finance Charges | 74,44,289 | 62,51,560 |
| 4. | Gross Profit | 9,54,40,213 | 6,48,60,062 |
| 5. | Less: Provision for Depreciation | 26,70,935 | 26,21,017 |
| 6. | Profit Before Exceptional Item & Tax | 9,27,69,278 | 6,22,39,045 |
| 7. | Net Profit Before Tax | 9,27,69,278 | 6,22,39,045 |
| 8. | Less: Provision for Tax | | |
| | a) Current Tax | (2,63,29,000) | (2,12,81,440) |
| | b) Income Tax (earlier years) | (1,24,405) | 27,836 |
| | c) Deferred Tax | 14,16,226 | 1,51,038 |
| 9. | Net Profit After Tax | 6,77,32,099 | 4,11,36,479 |
| 10. | Balance of Profit/(Loss) Brought Forward | 4,04,36,031 | (20,39,422) |
| 11. | Other Comprehensive Income | 6,55,948 | 13,38,974 |
| 12. | Surplus Carried to Balance Sheet | 10,88,24,078 | 4,04,36,031 |

2. STATE OF COMPANY'S AFFAIRS :

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

3. DIVIDEND :

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

4. AMOUNTS TRANSFERRED TO RESERVES:

Your Directors decided to transfer the amount of Rs. 10,88,24,078/- to the reserves.

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

The Company has no Subsidiary, Joint Venture or Associate Companies during the financial year ending 31st March, 2019. Accordingly, a statement under the provisions of Section 129 (3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is not enclosed.

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

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

7. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:

No material changes and commitments which could affect the Company's financial position have occurred since the close of the financial year, i.e., March 31, 2019 till the date of this Board's Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

8. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form MGT-9, as per provisions of the Companies Act, 2013 and Rules thereto, is annexed to this report (Annexure-2). Pursuant to commencement notification dated 31st July, 2018 issued by the Ministry of Corporate affairs, an extract of the Annual Return of the Company, referred to in Section 92 (3) of the Companies Act, 2013, in Form MGT-9 is available on the Company's website at the following link [http://shardaispat.com/investor/annual return](http://shardaispat.com/investor/annual%20return).

9. MEETINGS OF THE BOARD OF DIRECTORS:

5 Board Meetings were held during the financial year 2018-19.

| Sr.No | Date | Board Strength | No. of Directors present |
|-------|------------|----------------|--|
| 1. | 30.05.2018 | 5 | 4 |
| 2. | 13.08.2018 | 5 | 5 |
| 3. | 14.11.2018 | 5 | 5 |
| *4. | 14.02.2019 | 5 | 3 |
| | | | (Only Non-Executive & Independent Directors) |
| 5. | 14.02.2019 | 5 | 5 |

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

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- (i). In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii). Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2019 and of the Company's as at March 31, 2019 and of the Company's profit or loss for the year ended on that date.
- (iii). Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv). The annual financial statements have been prepared on a going concern basis.
- (v). That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.



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

11. STATUTORY AUDITORS AND THEIR REPORT :

In compliance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/ re-enactment(s)/ amendment(s) thereof, for the time being in force), M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur (Firm Registration Number 004733C), were appointed as Statutory Auditors at the 56th Annual General Meeting of the Company held on September 25th, 2017, to hold office for a term of five (5) consecutive years from the conclusion of the 61st Annual General Meeting of the Company to be held in the year 2022.

The Auditor's report given by M/s. Subhash Chand Jain Anurag & Associates, Statutory Auditors, on the Financial Statements of the Company, for the year ended March 31, 2019, forms part of the Annual Report.

The Notes to financial statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer. (Annexure-1)

12. LOANS, GUARANTEES AND INVESTMENTS:

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

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

13. PARTICULARS OF LOANS/ADVANCES/INVESTMENTS AS REQUIRED UNDER THE LISTING REGULATIONS.

The details of related party disclosures with respect to loans/advances/investments at the year end and the maximum outstanding amount thereof during the year, as required under {(Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company. (Please refer Note No. 12 and Note No. 33 of the financial statements)}.

14. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS :

The internal financial control system in your Company commensurate with the size and nature of its operations and financial aspects. The periodic audits are conducted in various disciplines to ensure adherence to the same. During the year, Internal Auditors of your Company had independently evaluated the adequacy and efficacy of the internal controls. The Board and the management review the findings and recommendations of the audit committee as well as the auditors and take in that behalf the corrective actions, whenever necessary. The Board invariably monitors the accounting functioning in the Company and ensures that the accounting treatments are in conformity with the prescribed accounting standards and procedures in that behalf.

The Board also considers risk assessment, identification of mitigating actions and internal financial control procedure to ensure that business as well as financial risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.



During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for the inadequacy or ineffectiveness of such controls.

15. RELATED PARTY TRANSACTIONS:

All Related Party Transactions entered into by the Company during the financial year were in the ordinary Course of business and on an arm's length basis. Particulars of material contracts/ arrangements entered into by the Company with related parties referred to Section 188 (1) of the Companies Act, 2013 are provided in Form AOC-2, which is annexed herewith Annexure-3. Related party disclosures as per Accounting Standard 18 have been provided in Note '33' to the financial statements.

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

The information on conservation of energy, technology absorption and foreign exchange outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure – 5.

17. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Poonam Sarda (DIN 00190512) Director of the Company is retiring by rotation at the ensuing 58th Annual General Meeting and being eligible, offers herself for re-appointment.

The Board of directors recommends her appointment at item no.2 of the Notice calling 58th Annual General Meeting for consideration of the shareholders.

The brief resume and other details relating to Smt. Poonam Sarda (DIN:00190512) who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, is incorporated in the annexure to the notice calling 58th Annual General Meeting.

Re-appointment of the following Independent Directors, not liable to retire by rotation, (whose tenure came to an end at the conclusion of the 58th Annual General Meeting) for a second term pursuant to the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder.

Shri. Harish Dass (DIN:00419983) re-appointed up to the conclusion of the 63rd Annual General Meeting to be held in the year 2024.

Shri. Rajendra Prasad Mohanka (DIN:00235850) re-appointed up to the conclusion of the 63rd Annual General Meeting to be held in the year 2024.

Shri. Ramesh Mantri (DIN:00414931) re-appointed up to the conclusion of the 63rd Annual General Meeting to be held in the year 2024.

The above appointments were based on the outcome of performance evaluation exercise, experience and contributions made by Shri. Rajendra Prasad Mohanka, Shri. Ramesh Mantri and Shri. Harish Shubh Dass in their previous tenure. The board of directors recommends their re-appointment at item no. 4, 5 & 6 of the Notice calling 58th Annual General Meeting for the consideration of the shareholders.

The brief resume and other details relating to Shri. Harish Shubh Dass, Shri. Rajendra Prasad Mohanka and Shri. Ramesh Mantri who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015, is incorporated in the annexure to the notice calling 58th Annual General Meeting.

Except as explained hereinabove, there were no changes in Directorship of the Company as well as in Key Managerial Personnel category during the year under review.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

During the period under review, no Non- Executive Director of the Company had any pecuniary relationship or transactions with the Company.

Smt. Poonam Sarda was appointed as Director of the Company on 21.01.2010 and further as Whole-time Director on 01.04.2012 has been continued as Woman Director of the Company.

As per the requirement under the provisions of Section 203 of the Companies Act, 2013, the Board of Directors noted that Shri. Nandkishore Sarda (DIN 00229911), Chairman and Managing Director, Smt. Poonam Sarda, (DIN 00190512) Whole-time Director and Chief Financial Officer and Shri. Amit B. Mundada (Company Secretary and Compliance officer) are the key managerial Personnel of the Company as on the date of this Board's Report.

18. DECLARATIONS BY INDEPENDENT DIRECTOR'S:

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 16 (1) (b) of the listing Regulations, the company has received individual declarations from all the Independent Directors, whose names are appended herein below, confirming that they fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the rules made there under to hold the office of Independent Director of the Company for the financial year ended March 31, 2019.

1. Shri. Harish Dass
2. Shri. Rajendra Prasad Mohanka
3. Shri. Ramesh Mantri

There has been no change in the circumstances which may affect their status as Independent Director during the financial year under review.

19. ANNUAL EVALUATION:

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

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



Also, the Independent Directors, at their meeting held on 14th February, 2019 reviewed the performance of the Board, its Chairman and Executive Directors of the Company.

20. DEPOSITS:

The Company has not accepted/renewed any fixed deposits from the public or the Members, within the meaning of Section 73 of the Companies Act, 2013, read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2018-19 and as such, no amount of principal or interest on deposits from public or the Members, was outstanding as of the Balance Sheet date.

21. CORPORATE GOVERNANCE:

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

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, has been provided in Annexure-6.

REMUNERATION POLICY:

Remuneration to Executive Directors:

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

Remuneration to Non-Executive Directors:

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

23. COMMITTEES OF THE BOARD:

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

**AUDIT COMMITTEE:**

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

| Name of the Director | Position held in the Committee | Category of the Director |
|-------------------------------|--------------------------------|------------------------------------|
| Shri. Rajendra Prasad Mohanka | Chairman | Non-Executive Independent Director |
| Shri. Ramesh Mantri | Member | Non-Executive Independent Director |
| Shri. H. K. Dass | Member | Non-Executive Independent Director |

NOMINATION AND REMUNERATION COMMITTEE:

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

| Name of the Director | Position held in the Committee | Category of the Director |
|-------------------------------|--------------------------------|------------------------------------|
| Shri. Rajendra Prasad Mohanka | Chairman | Non-Executive Independent Director |
| Shri. Ramesh Mantri | Member | Non-Executive Independent Director |
| Shri. H. K. Dass | Member | Non-Executive Independent Director |

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
4. Regularly review the Human Resource function of the Company.
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.



8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

As per the financial statement of the Company, the provision of Corporate Social Responsibility is applicable to the Company. The Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company in its Board Meeting held on 30th May, 2018. The CSR Committee comprising of the following members:

| Name of the Director | Position held in the Committee | Category of the Director |
|-------------------------------|--------------------------------|---|
| Shri. Nandkishore Sarda | Chairman | Chairman and Managing Director (Executive Director) |
| Shri. Rajendra Prasad Mohanka | Member | Non-Executive Independent Director |
| Shri. Ramesh Mantri | Member | Non-Executive Independent Director |

The CSR Policy of your Company as approved by the Board of Directors is hosted on the Company's website www.shardaispat.com.

During the year under review, the Company spent Rs. 1,92,100/- on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, is annexed to this report (Annexure 4).

24. SECRETARIAL AUDIT REPORT:

Pursuant to Provisions of Section 203 of the Companies Act, 2013 the Board has appointed M/s. Sunil Kumar Sharma and Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for the financial year 2018-19, at its meeting held on 30th May, 2018. The Secretarial Audit Report is annexed to this Board Report by way of Annexure-7.

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

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

**25. APPOINTMENT OF COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 30th May, 2019, have appointed M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur (Firm Registration No.100269), as the Cost Auditors of the Company, for the financial year 2019-20 to audit the cost records maintained by the Company.

A resolution for ratification of the payment of remuneration to the Cost Auditor to be made for such appointment is included in the Notice of the ensuing 58th Annual General Meeting. The Board of directors recommends the ratification of the payment of remuneration to the Cost Auditor at item no.3 of the Notice calling 58th Annual General Meeting for consideration of the shareholders. A Certificate from M/s. Narendra Peshne and Associates, has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed there under. For the financial year ending March 31, 2018, the Company has received the Cost Audit Report from M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur on 13th August 2018 and filed the same with the Registrar of Companies, Mumbai on 06th September, 2018.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

27. RISK MANAGEMENT POLICY:

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

The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives.

- (a). Provide an overview of the principles of risk management.
- (b). Explain approach adopted by the Company for risk management.
- (c). Define the organisational structure for effective risk management.



- (d). Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- (e). Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

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

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

29. SHARES:

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. DISCLOSURE UNDER SECTION 54 (1) (d) OF THE COMPANIES ACT, 2013:

The Company has not issued any Sweat equity shares during the financial year under review and hence no information as per provisions of Section 54 (1)(d) of the Companies Act, 2013 read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. DISCLOSURE UNDER SECTION 43(a) (ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

e. DISCLOSURE UNDER SECTION 62 (1) (b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under the Employees Stock Option Scheme during the financial year under review and hence no information as per provisions of Section 62(1) (b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

f. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal (s) impacting the going concern status of the Company and its business operations in future.

**31. SHARES IN SUSPENSE ACCOUNT :**

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

32. REPORTING OF FRAUDS:

There have been no frauds reported by the Auditors, under subsection (12) of Section 143 of the Companies Act, 2013 (including amendments), during the financial year under review, to the Audit Committee or the Board of Directors and hence, as such there is nothing to report by the Board under Section 134(3) (ca) of the Companies Act, 2013.

33. COMPLIANCES WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING:

Pursuant to Clause 9 of the Revised Secretarial Standard-1 (SS-1), your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the financial year under review.

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

During the Financial year under review, the year 2018 started on an optimistic note with global growth expectations pegged at 3.9% driven by strong economic activity and policy level interventions. But the global growth rate declined to 3.6% in 2018 owing to various factors such as an increase in trade tensions and tariff hikes between the United States and China, the decline in business confidence, tightening of financial conditions and higher policy uncertainty across many economies. In addition to trade wars, geopolitical tensions across regions proved as headwinds. While the first half of 2018 witnessed strong growth at 3.8%, the second half saw a deceleration in global economic activity, in light of the various factors affecting major economies. Growth in China was at 6.6%, its slowest pace since 1990, due to necessary domestic regulatory tightening, slower domestic investment, and tariff hikes and trade tensions with the United States. The United States witnessed a growth of 2.9%, the highest since 2015, with major contributions coming from personal spending, fixed investment, public expenditure and inventories. The Eurozone witnessed slowdown in growth due to political uncertainties like Brexit and the disruption of automobile production in Germany caused by the new emission norms. The region also witnessed softening of overall external demand from emerging Asia. This was further met with a drop in investment in Italy due to widening sovereign spreads. In the Far East, Japan was hit by natural disasters. Growth in India was 7.1%, primarily due to growth in the construction sector (8.9%) and manufacturing sector (8.1%). That said, through the middle of the year 2019, global growth is likely to witness a modest recovery as the economies currently engaged in trade wars have also initiated high-level dialogues to resolve the contentious issues.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Global steel demand grew by 2.1% in the year 2018, largely driven by China, coupled with investment-led recovery in the advanced economies. Global crude steel production reached 1,808.6 million tones (MnT) in the year 2018, up 4.6% from the year 2017 levels, pushing capacity utilization above 70%. Crude steel production in India, increased to 106.5 MnT. India's crude steel production increased by 4.9% over the previous year, making India the second largest crude steel producing country. Despite the slowdown in the economy, global steel demand increased by 2.1% in 2018. The marginal increase over 2017 was mainly supported by government stimulus in China and better than expected economic activity. However, steel demand in developed economies slowed to 1.8% in 2018 as compared to 3.1% in 2017. Steel



demand in the European Union ('EU') grew by 2.2% in 2018 as against 3.4% in 2017. Output growth in the steel consuming sectors in the EU eased in the second half of 2018, especially in the automotive sector. In 2018 the EU was a net importer of steel at 16.9 MnT. Exports from China to the rest of the world decreased again in 2018 to 68.8 MnT. Changing trade flows in the global steel market have caused an increase in the amount of anti-dumping measures. While China leads production volumes with more than 51% share, India displaced Japan as the world's second largest steel producer at the start of the Current year 2019. According to Worldsteel, Japan produced 104.3 MnT in the current year 2018, down 0.3% from the previous year 2017 levels.

OPPORTUNITIES AND THREATS:

Your Company is poised to seize the opportunities in the Iron & the 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 offers scope for seamless value addition in its manufacturing process from hot metal to stainless steel. The threats for your Company would come from adverse fluctuations in the input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in opportunity grabbing may result in loss in revenue generation and rise in costs.

SEGMENTWISE OR PRODUCT-WISE PERFORMANCE:

The Company operates in only one segment, i.e. iron & steel. During the financial year 2018-19 the Company achieved production of Steel product as under:

Own Unit – 19,128.237 MT (Previous Year 16,886.254 MT)

Sales (Rs.) – 10,582.38 Lacs (Previous Year 8,597.88 Lacs)

Conversion Service – 14,529.328 MT (Previous Year 8,113.106MT)

Sales (Rs.) – 834.25 Lacs (Previous Year 273.32 Lacs)

OUTLOOK FOR STEEL INDUSTRY:

As per WSA, global steel demand is forecasted to reach 1,735 MnT in 2019, an increase of 1.3% over 2018. In 2020, global steel demand is expected to reach 1,752 MnT, reflecting an increase of 1%. Although steel demand is expected to grow, the rate of growth will be lower owing to a slowdown in the global economy. Further, China's deceleration, uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment. China plans for a major structural overhaul of the steel sector by 2020. Further, it plans to reduce the steel output, which would ease the uneven supply-demand situation in the sector, modernise the steel mills to achieve energy consumption and pollutant emissions within the nation standard by 2020. Steel demand in developing Asia excluding China is expected to grow by 6.5% and 6.4% in 2019 and 2020 respectively, making it the fastest growing region in the global steel industry.

In the ASEAN region, infrastructure development is expected to support demand for steel. Steel demand in advanced economies is expected to grow at a slower pace owing to trade tensions and lower spend on construction activities. Steel demand in India is expected to grow at 7% in



2019 as well as in 2020. Steel demand in India will be driven by broad based growth across sectors. Construction is expected to grow, boosted by government spending on infrastructure. The automotive sector is expected to grow at about 7.5% in 2019 which slows lower than that of 2018 as sales towards the end of 2018 and early 2019. Policy to support the real estate sector will lead to stronger growth in 2019. Recovery in the capital goods sector witnessed in 2018 is expected to sustain in 2019. The sector is expected to grow above 7%, aided by increasing demand for construction and Earthmoving equipment.

RISK & CONCERNS :

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company employs an adequate and effective system of internal control commensurate with its size and nature of that provides for assurance of the efficiency of operations, security of Company's assets, accurate and prompt recording of transactions, efficient Management Information Systems and compliance with the prevalent statutes, accounting standards.

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

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

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

During the fiscal year 2018-19, the Company achieved the sales turnover of Rs. 11,416.63 Lacs (Own Unit Rs. 10,582.38 Lacs (19,128.237 MT) and Conversion / Service Rs.834.25 Lacs (14,529.328 MT) as against Rs. 8,871.19 Lacs {Own Unit Rs. 8,579.88 Lacs (16,886.254 MT) and Conversion/ Service Rs. 273.32 Lacs (8,113.106 MT)} during the previous year. After providing depreciation of Rs. 26.71 Lacs and Rs.74.44 Lacs towards interest and further adjusting Rs. 250.37 Lacs for taxation (net) the Company posted a net profit after tax of Rs. 677.32 Lacs as against Rs. 411.36 Lacs during the last year. The operational performance of the Company has improved. Since the Company has witnessed a tremendous increase in the amount of manufacturing work and job work, due to increase in the total activity in steel end use sectors especially automotive sector, has witnessed huge growth during the year. Hence, to meet the requirement, double shift operation has been performed in most of the month during the year under review, which resulted in better turnover and more profit.

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

The Company recognizes the importance of human resources in realizing its growth ambitions and believes in nurturing talent within the organization to take up leadership positions. The Company increased its more concentration on the development of Human Resources than any other Resources. The Company took adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company. During the year ended 31.03.2019 the total number of employees employed by the Company was 38 (Thirty eight).

35. ACKNOWLEDGEMENT:

The directors would like to express their sincere appreciation of the co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Date:13.08.2019

Place: Nagpur

Nandkishore Sarda
Chairman & Managing Director
DIN: 00229911
Address: Plot No.32,
Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010

**INDEPENDENT AUDITORS' REPORT**

To the Members of,
Sharda Ispat Limited

Report on the IND AS Financial Statements**Opinion**

1. We have audited the accompanying IND AS Financial Statements of Sharda Ispat Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the IND AS Financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the INDAS Financial statement.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report:

| Key audit matter | How our audit addressed the key audit matters |
|--|---|
| Valuation of Inventories (as described in note VIII of the INDAS Financial statement) As at March 31, 2019, inventories constitute approximately 19.94% of total assets of the company. | Our audit procedures include the following: - We evaluated the inventory valuation accounting policies. - We assessed the key assumption made by the management in valuing inventories. |



| | |
|--|--|
| Inventories are valued at lower of cost or net realizable value. a) Identification, completeness and correctness of direct and indirect cost in valuation of inventory is a key audit matter. b) Calculation of net realizable value is also a key audit matter due to significant movement in price of raw-material and finished goods. | - We verified the cost of finished goods based on cost sheet prepared by the management in accordance with valuation principles prescribed under INDAS-2 "Inventory". We have verified the net realizable value of finished goods based on actual sales transaction incurred subsequent to reporting date |
|--|--|

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the IND AS financial statements and our auditor's report thereon.

Our opinion on the IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the IND AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the IND AS Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit and loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**

10. Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also,
 - Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in



extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
16. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Financial Statements dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid IND AS Financial Statements, comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - (f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per "Annexure B" expressed an unmodified opinion;
 - (g) As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in the IND AS financial statements as at March 31, 2019. Refer Note 31 to the IND AS financial statements on Contingent Liabilities;
 - ii. The company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019

Nagpur, dated the
30th May, 2019

For Subhash Chand Jain
Anurag & Associates
Chartered Accountants
Firms Reg. No. 004733C
CA. Swastik Jain
Partner (M.No.111580)



"ANNEXURE A" TO
INDEPENDENT AUDITOR'S REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has granted loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. The term and condition of the grant of loan are not prejudicial to the company interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/ services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there is no undisputed amount payable in respect of the same which were in arrear at the year-end for a period of more than six months from the date they become payable.



(b) The dues of the Income Tax, Sales Tax, Excise Duty, Service Tax and Value added tax as on 31st March 2019 which have not been deposited on account of dispute and the forum where the disputes are pending are as under:

| Sr. No. | Name of the Statute | Nature of Dues | Amount (Rs.) | Forum where Dispute is pending |
|---------|------------------------------------|---------------------------------|--------------|---|
| 1. | Central Excise Act | Excise Duty | 12,57,012 | High Court, Delhi |
| 2. | Central Excise Act | Penalty | 2,24,000 | Commissioner of Central Excise, Indore |
| 3. | Central Excise Act | Excise Duty & Penalty | 49,91,427 | Commissioner (Appeal) |
| 4. | Central Excise Act | Excise Duty & Penalty | 17,60,778 | CEGAT, Mumbai (Appeals) |
| 5. | Central Excise Act | Excise Duty & Penalty | 22,64,530 | Add. Commissioner of Central Excise, Nagpur |
| 6. | Central Excise Act | Excise Duty & Penalty | 19,63,762 | Jt. Commissioner of Central Excise, Nagpur |
| 7. | Central Excise Act | Excise Duty & Penalty | 3,74,578 | Dy. Commissioner of Central Excise Division I, Nagpur |
| 8. | Central Excise Act | Excise Duty & Penalty | 2,41,966 | Commissioner of Central Excise, City-I Nagpur |
| 9. | Central Excise Act | Service Tax | 1,15,559 | Dy. Commissioner, Service Tax Cell, Nagpur |
| 10. | Bombay Sales Tax Act (1999-00) | Sales Tax, Interest and Penalty | 13,08,650 | Joint Commissioner of Sales Tax (Appeals), Nagpur |
| 11. | Central Sales Tax Act (1999-00) | Sales Tax, Interest and Penalty | 2,37,211 | Joint Commissioner of Sales Tax (Appeals), Nagpur |
| 12. | Bombay Sales Tax Act (2000-01) | Sales Tax, Interest and Penalty | 1,21,62,805 | Joint Commissioner of Sales Tax (Appeals), Nagpur |
| 13. | Central Sales Tax Act (2000-01) | Sales Tax, Interest and Penalty | 30,15,700 | Joint Commissioner of Sales Tax (Appeals), Nagpur |
| 14. | Income Tax Act, 1961(A.Y. 2014-15) | Income Tax | 1,52,630 | Commissioner of Income Tax (Appeals), Nagpur |



- (viii) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly the provisions of paragraph 3 (ix) of the Order is not applicable.
- (x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Nagpur, dated the
30th May, 2019

For Subhash Chand Jain
Anurag & Associates
Chartered Accountants
Firms Reg. No. 004733C

CA. Swastik Jain
Partner (M.No.111580)



**“ANNEXURE B” TO
THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF M/S SHARDA ISPAT LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal financial controls over financial reporting of M/s Sharda Ispat Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.” These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

Nagpur, dated the
30th May, 2019

For Subhash Chand Jain
Anurag & Associates
Chartered Accountants
Firms Reg. No. 004733C

CA. Swastik Jain
Partner (M.No.111580)

**BALANCE SHEET AS AT 31ST MARCH, 2019**

| Particulars | Note No. | As at 31st March, 2019 | As at 31st March, 2018 |
|--|----------|------------------------|------------------------|
| I ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Property, plant and equipment | 4 | 22,456,561 | 22,150,729 |
| (b) Intangible assets | 5 | 155,063 | 190,668 |
| (c) Financial assets | | | |
| (i) Investments | 6 | 3,262,600 | 3,262,600 |
| (ii) Other financial assets | 7 | 4,949,670 | 4,554,812 |
| (d) Other assets | | 4,590 | 32,128 |
| Total Non-Current Assets | | 30,828,484 | 30,190,937 |
| 2. Current Assets | | | |
| (a) Inventories | 8 | 67,690,973 | 60,720,682 |
| (b) Financial assets | | | |
| (i) Trade receivables | 9 | 97,902,442 | 96,410,577 |
| (ii) Cash and cash equivalents | 10 | 13,610,539 | 5,176,930 |
| (iii) Bank balances other than (i) above | 11 | 2,534,993 | 4,040,463 |
| (iv) Loans | 12 | 71,101,106 | 111,071,945 |
| (v) Other financial assets | 7 | 434,591 | 566,825 |
| (c) Other assets | 13 | 55,420,883 | 27,848,864 |
| Total Current Assets | | 308,695,527 | 305,836,286 |
| TOTAL ASSETS | | 339,524,011 | 336,027,223 |
| II EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity share capital | 14 | 50,768,000 | 50,768,000 |
| (b) Other equity | 15 | 138,703,078 | 70,315,031 |
| Total Equity | | 189,471,078 | 121,083,031 |
| 2. Liabilities | | | |
| (i) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 8,51,760 | 1,326,208 |
| (b) Provisions | 17 | 3,158,604 | 2,818,054 |
| (c) Deferred Tax Liabilities (Net) | 18 | 1,590,630 | 3,006,856 |
| Total Non-Current Liabilities | | 5,600,994 | 7,151,118 |
| (ii) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 90,870,676 | 72,462,684 |
| (ii) Trade payables | 19 | 27,304,051 | 114,437,042 |
| (iii) Other financial liabilities | 20 | 792,471 | 687,589 |
| (b) Other current liabilities | 21 | 17,225,410 | 10,275,954 |
| (c) Provisions | 17 | 1,927,148 | 1,949,646 |
| (d) Current tax Liabilities (Net) | 22 | 6,332,184 | 7,980,159 |
| Total Current Liabilities | | 144,451,940 | 207,793,074 |
| Total Liabilities | | 150,052,940 | 214,944,192 |
| TOTAL EQUITY AND LIABILITIES | | 339,524,011 | 336,027,223 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

SUBHASH CHAND JAIN ANURAG & ASSOCIATES

Firm Registration No. 004733C

Chartered Accountants

CA. SWASTIK JAIN

PARTNER

Membership No. 111580

Nagpur

Date: 30th May, 2019

(Nandkishore Sarda)

(Chairman cum Managing Director)

(DIN 00229911)

(Amit B. Mundada)
(Company Secretary)

(Poonam Sarda)

(Whole Time Director & CFO)

(DIN 00190512)

STATEMENT OF PROFIT AND LOSS FOR THE
YEAR ENDED 31ST MARCH, 2019

| PARTICULARS | NOTE NO. | 31-03-2019 | 31-03-2018 |
|--|----------|----------------------|---------------------|
| I Income | | | |
| Revenue from Operations | 21 | 1,141,663,074 | 887,119,407 |
| Other Income | 22 | 13,396,650 | 6,006,536 |
| Total Income | | 1,155,059,724 | 893,125,943 |
| II Expenses | | | |
| Costs Of Material Consumed | 23 | 868,597,258 | 628,668,446 |
| Purchase of Stock in Trade | | 2,267,377 | — |
| Changes in Inventories of Finished Goods | 24 | 4,117,507 | 33,993,290 |
| Excise Duty on Finished Goods | | — | 19,425,046 |
| Employee Benefits Expense | 25 | 22,693,442 | 20,568,102 |
| Finance Costs | 26 | 7,444,289 | 6,251,560 |
| Depreciation and Amortisation Expenses | 27 | 2,670,935 | 2,621,017 |
| Other Expenses | 28 | 154,499,638 | 119,359,437 |
| Total Expenses | | 1,062,290,446 | 830,886,898 |
| III Profit / (Loss) before Tax | | 92,769,278 | 62,239,045 |
| IV Tax Expense | | | |
| (1) Current Tax | | (26,329,000) | (21,281,440) |
| (2) Deferred tax (charge) / credit | | 1,416,226 | 151,038 |
| (3) Excess / (Short) provision for taxation in respect of earlier years | | (124,405) | 27,836 |
| | | (25,037,179) | (21,102,566) |
| V Profit / (Loss) for the Year | | 67,732,099 | 41,136,479 |
| VI Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of the net defined benefit plans | | 655,948 | 1,338,974 |
| VII Total comprehensive income for the year | | 68,388,047 | 42,475,453 |
| VIII Earning per equity share of nominal value of 10/- each (Basic and Diluted) | 29 | 13.34 | 8.10 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

(Nandkishore Sarda)
(Chairman cum Managing Director)
(DIN 00229911)

CA.SWASTIK JAIN
PARTNER
Membership No.111580

(Poonam Sarda)
(Whole Time Director & CFO)
(DIN 00190512)

Nagpur
Date: 30th May, 2019

(Amit B. Mundada)
(Company Secretary)

**Cash Flow Statement for the year ended 31st March, 2019**

| A) | Cash Flow From Operating Activities | 2018-19 | 2017-18 |
|----|--|---------------------|---------------------|
| | Net Profit (Loss) before tax & extra ordinary items | 92,769,278 | 62,239,045 |
| | Adjustments for: | | |
| | i) Depreciation & Amortization | 2,670,935 | 2,621,017 |
| | ii) Remeasurement of net defined plan | 655,948 | 1,338,974 |
| | iii) Interest Paid | 7,444,280 | 6,261,560 |
| | iv) Interest Received | (13,054,053) | (6,006,536) |
| | Operating Profit before Working Capital Changes: | <u>90,486,397</u> | <u>66,444,060</u> |
| | Adjustments for: | | |
| | i) Decrease/(Increase) in Trade & Other Receivables | (29,063,885) | (47,786,839) |
| | ii) Decrease/(Increase) in Inventories | (6,970,291) | 35,550,978 |
| | iii) Increase/(Decrease) in Trade Payable & Other Liabilities | (80,078,653) | 57,390,619 |
| | iv) Increase/(Decrease) in other non current liability and provision | 318,052 | (7,308,461) |
| | v) Decrease/(Increase) in other financial asset and other asset | (235,086) | 2,060,891 |
| | Cash Generation from Operations | <u>(25,543,466)</u> | <u>106,351,247</u> |
| | Add: Taxes Paid | (28,101,380) | (18,612,744) |
| | Net Cash from Operating Activities (A) | <u>-53,644,846</u> | <u>87,738,503</u> |
| B. | Cash Flow From Investing Activities | | |
| | Purchase Of Fixed Assets | (2,941,164) | (699,873) |
| | Loan (given)/received back during the year | 39,970,839 | (79,025,902) |
| | Interest Received | 13,054,053 | 6,061,728 |
| | (Investment)/Redemption of Bank deposits | 1,505,470 | (3,755,904) |
| | Net Cash from Investing Activities (B) | <u>51,589,198</u> | <u>(77,419,951)</u> |
| C. | Cash Flow From Financing Activities | | |
| | Increase/(Decrease) in the Borrowings from Bank | 17,933,544 | (628,907) |
| | Interest Paid | (7,444,289) | (6,251,560) |
| | Net Cash from Financing Activities (C) | <u>10,489,255</u> | <u>(6,880,467)</u> |
| | Net Increase/(Decrease) in Cash & Cash Equivalents A+B+C | 8,433,607 | 3,438,085 |
| | Cash & Cash Equivalents at beginning of the year | 5,176,930 | 1,738,844 |
| | Cash & Cash Equivalents at the year end | <u>13,610,539</u> | <u>5,176,930</u> |

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

(Nandkishore Sarda)
(Chairman cum Managing Director)
(DIN 00229911)

CA.SWASTIK JAIN
PARTNER
Membership No.111580

(Poonam Sarda)
(Whole Time Director & CFO)
(DIN 00190512)

Nagpur
Date: 30th May, 2019

(Amit B. Mundada)
(Company Secretary)



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

| | Notes | Amount |
|---------------------------------|-------|------------|
| A. EQUITY SHARE CAPITAL | | |
| As at 1st April, 2017 | 13 | 50,768,000 |
| Changes in equity share capital | | - |
| As at 31st March, 2018 | | 50,768,000 |
| Changes in equity share capital | | - |
| As at 31st March, 2019 | | 50,768,000 |

B. OTHER EQUITY

| | Reserves and Surplus | | | Total |
|---|----------------------|----------------------------|-------------------|-------------|
| | Capital Reserve | Securities Premium Reserve | Retained Earnings | |
| Balance at 1st April, 2017 | 2,500,000 | 27,379,000 | (2,039,422) | 27,839,578 |
| Profit / (Loss) for the year | - | - | 41,136,479 | 41,136,479 |
| Remeasurement of net defined benefit recognised in other comprehensive income | - | - | 1,338,974 | 1,338,974 |
| Balance at 31st March, 2018 | 2,500,000 | 27,379,000 | 40,436,031 | 70,315,031 |
| Balance at 1st April, 2018 | 2,500,000 | 27,379,000 | 40,436,031 | 70,315,031 |
| Profit / (Loss) for the year | - | - | 67,732,099 | 67,732,099 |
| Remeasurement of net defined benefit recognised in other comprehensive income | - | - | 655,948 | 655,948 |
| Balance at 31st March, 2018 | 2,500,000 | 27,379,000 | 108,824,078 | 138,703,078 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

(Nandkishore Sarda)
(Chairman cum Managing Director)
(DIN 00229911)

CA.SWASTIK JAIN
PARTNER
Membership No.111580

(Poonam Sarda)
(Whole Time Director & CFO)
(DIN 00190512)

Nagpur
Date: 30th May, 2019

(Amit B. Mundada)
(Company Secretary)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****Note 1. Company Overview And Significant Accounting Policies****1.1 Company Overview**

Sharda Ispat Limited is a listed public limited company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged in Manufacturing and job work of alloy steel flat / rolled products which are used in automobile component industries.

- 1.2 The financial statements are approved for issue by the Company's Board of Directors on 30th May, 2019.

Note 2. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies are applied consistently to all the periods presented in the financial statements.

Note 3: Significant Accounting Policies:**I Revenue recognition**

The company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective 01 April 2018, the company has adopted Indian Accounting Standard 115 (IndAS 115) - 'Revenue from Contracts with Customers' using cumulative catch-up transition method, applied to contracts that were not completed as on transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of IndAS 115 was insignificant.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the company expects to receive in exchange for those products or services.

The specific recognition criteria described below must also be met before revenue is recognised

A. Sale of goods

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied.

B. Interest and dividend:

Interest income including income arising on other instruments recognised on time proportion basis taking into account the amount outstanding and the rate applicable

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

C. Others :

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

**II. Property plant and equipment, investment property and depreciation / amortisation**

- A. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- B. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.
- C. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated on pro-rata basis.

| Asset Category | Estimated useful life (in Years) |
|--------------------------------------|---|
| Plant and Machinery | 15 |
| Computer servers and network systems | 6 |
| Computer desktops and laptops | 3 |
| Office Equipments | 5 |
| Vehicles | 8 |
| Furniture and Fixture | 10 |
| Factory Equipment | 5 |
| Factory Building | 30 |

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

III. Intangible assets and amortisation

Acquired computer softwares are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

IV. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets**i. Initial recognition**

Financial assets are initial measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets :

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Financial Liabilities

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

I Financial Liabilities**1. Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

**- Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

V. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VI. Impairment**a. Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

**b. Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

VII. Taxation**i. Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

VIII. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

The cost includes duties & taxes other than credits availed under modvat and is arrived at on First in First out basis.

IX. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

X. Trade receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XI. Employee benefits**a) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of



Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods.

The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave Entitlement

The company has a scheme for leave encashment for employees. The liability for which is determined on estimation basis as per rules of the company.

XII. Borrowings and Borrowing costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Profit and Loss Account.

XIII. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XIV. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**XV. Cash and Cash Equivalents**

"Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value."

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XVI. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 4. Property, plant and equipment and capital work-in-progress

(In Rs.)

| | Building | Plant and Machinery | Factory Equipment | Office Equipment | Furniture and Fittings | Computers | Servers and Networks | Vehicles | Total |
|--|------------|---------------------|-------------------|------------------|------------------------|-----------|----------------------|-----------|-------------|
| Cost or deemed cost | | | | | | | | | |
| Balance at 31st March, 2017 | 20,070,231 | 141,883,009 | 196,146 | 1,613,419 | 2,510,212 | 491,184 | 223,122 | 7,168,163 | 174,155,486 |
| Additions | - | - | - | 103,097 | 930,710 | 47,766 | - | - | 512,373 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 31st March, 2018 | 20,070,231 | 141,883,009 | 196,146 | 1,719,316 | 2,868,922 | 538,950 | 223,122 | 7,168,163 | 174,667,859 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at 31st March, 2017 | 13,928,865 | 131,624,858 | 87,765 | 810,705 | 498,901 | 333,710 | 74,650 | 2,543,491 | 149,902,945 |
| Eliminated on disposal of assets | - | - | - | - | - | - | - | - | - |
| Depreciation expense | 580,084 | 499,019 | 37,246 | 246,940 | 263,239 | 78,257 | 35,327 | 874,073 | 2,614,185 |
| Balance at 31st March, 2018 | 14,508,949 | 132,123,877 | 125,011 | 1,057,645 | 762,140 | 411,967 | 109,977 | 3,417,564 | 152,517,130 |
| Carrying amount as on 31st March, 2018 | 5,561,282 | 9,759,132 | 71,135 | 661,671 | 2,106,782 | 126,983 | 113,145 | 3,750,599 | 22,150,729 |

| | Building | Plant and Machinery | Factory Equipment | Office Equipment | Furniture and Fittings | Computers | Servers and Networks | Vehicles | Total |
|--|------------|---------------------|-------------------|------------------|------------------------|-----------|----------------------|-----------|-------------|
| Cost or deemed cost | | | | | | | | | |
| Balance at 31st March, 2018 | 20,070,231 | 141,883,009 | 196,146 | 1,719,316 | 2,868,922 | 538,950 | 223,122 | 7,168,163 | 174,667,859 |
| Additions | - | 1,217,035 | - | 370,403 | 12,070 | 93,214 | - | 1,248,440 | 2,941,162 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 31st March, 2019 | 20,070,231 | 143,100,044 | 196,146 | 2,089,719 | 2,880,992 | 632,164 | 223,122 | 8,416,603 | 177,609,021 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at 31st March, 2018 | 14,508,949 | 132,123,877 | 125,011 | 1,057,645 | 762,140 | 411,967 | 109,977 | 3,417,564 | 152,517,130 |
| Eliminated on disposal of assets | - | - | - | - | - | - | - | - | - |
| Depreciation expense | 580,293 | 540,308 | 37,308 | 247,004 | 218,397 | 71,001 | 35,295 | 905,724 | 2,635,330 |
| Balance at 31st March, 2019 | 15,089,242 | 132,664,185 | 162,319 | 1,304,649 | 980,537 | 482,968 | 145,272 | 4,323,288 | 155,152,460 |
| Carrying amount as at 31st March, 2019 | 4,980,989 | 10,435,859 | 33,827 | 785,070 | 1,900,455 | 149,196 | 77,850 | 4,093,315 | 22,456,561 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 5. Intangible assets

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Cost or deemed cost | | |
| Balance at 31st March, 2017 | 200,000 | |
| Additions | 187,500 | |
| Disposals | - | |
| Balance at March 31, 2018 | 387,500 | |
| Accumulated depreciation and impairment | | |
| Balance at 31st March, 2017 | 190,000 | |
| Eliminated on disposal of assets | - | |
| Depreciation expense | 6,832 | |
| Balance at March 31, 2018 | 196,832 | |
| Carrying amount as at March 31, 2018 | 190,668 | |
| Cost or deemed cost | | |
| Balance at March 31, 2018 | 387,500 | |
| Additions | - | |
| Disposals | - | |
| Balance at March 31, 2019 | 387,500 | |
| Accumulated depreciation and impairment | | |
| Balance at March 31, 2018 | 196,832 | |
| Eliminated on disposal of assets | - | |
| Depreciation expense | 35,605 | |
| Balance at March 31, 2019 | 232,437 | |
| Carrying amount as at March 31, 2019 | 155,063 | |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Note 6. Investments | | |
| Non Current | | |
| Investment in equity Instruments (Unquoted) | | |
| 65,252 Equity Shares of Nagpur Nagrik Sahkari Bank | 3,262,600 | 3,262,600 |
| Total | 3,262,600 | 3,262,600 |
| Aggregate amount of unquoted investments | 3,262,600 | 3,262,600 |
| Aggregate provision for diminution in value of investments: | - | - |
| Note 7. Other financial assets | | |
| Non-current | | |
| Deposits with maturity more than twelve months | 1,932,180 | 2,149,000 |
| Security deposits | 3,017,490 | 2,405,812 |
| Total | 4,949,670 | 4,554,812 |
| Current | | |
| Interest Receivable | 433,591 | 566,325 |
| Other Debit balances | 1000 | 500 |
| Total | 434,591 | 566,825 |
| Note 8. Inventories | | |
| Inventories (lower of cost or net realisable value) | | |
| - Raw Material | 29,225,604 | 21,306,407 |
| - Stock in Trade | 1,108,317 | - |
| - Finished Goods | 30,976,282 | 36,202,106 |
| - Stores and Spares | 6,380,770 | 3,212,089 |
| Total | 67,690,973 | 60,720,682 |
| Note 9. Trade Receivables | | |
| Current | | |
| Trade Receivables | 97,902,442 | 96,410,577 |
| Total | 97,902,442 | 96,410,577 |
| Note 10. Cash and cash equivalents | | |
| Balances with banks: | | |
| - in current accounts | 13,409,408 | 5,163,252 |
| - In deposit with maturity of less than three months | 100,000 | - |
| Cash on hand | 101,131 | 13,678 |
| Total | 13,610,539 | 5,176,930 |



| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-----------------------------|---------------------------------|
| Note 11. Other bank balances | | |
| Other Bank Balances: | | |
| Deposits with maturity of more than three months but less than twelve months | 2,534,993 | 4,040,463 |
| Total | 2,534,993 | 4,040,463 |
| Note 12. Loans | | |
| Current | | |
| Loans to related parties | 71,067,356 | 110,898,795 |
| Loans to employees | 33,750 | 173,150 |
| Total | 71,101,106 | 111,071,945 |
| Note 13. Other assets | | |
| Non Current | | |
| Advance Rentals | 4,590 | 32,128 |
| | 4,590 | 32,128 |
| Current | | |
| Advance for Purchases | 31,165,470 | 1,087,790 |
| Prepaid Expense | 127,340 | 149,434 |
| Balance with Statutory Authorities | 21,158,335 | 23,343,872 |
| Others | 2,969,738 | 3,267,768 |
| Total | 55,420,883 | 27,848,864 |
| Note 14. Equity share capital | | |
| Authorised Share Capital : | | |
| 51,00,000 (As at 31st March, 2018 : 51,00,000) | | |
| Ordinary Equity Shares of `10 each | 51,000,000 | 51,000,000 |
| Total | 51,000,000 | 51,000,000 |
| Issued and subscribed capital comprises: | | |
| Ordinary Equity Shares | | |
| 50,76,800 (As at 31st March, 2018 : | | |
| 50,76,800) Equity Shares of `10/- each | 50,768,000 | 50,768,000 |
| Total | 50,768,000 | 50,768,000 |
| a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year | | |
| | Number of shares | Share Capital in Rs. |
| Ordinary Equity Shares | | |
| Balance at 1st April, 2017 | 5,076,800 | 50,768,000 |
| Add / (Less) : Issued / (Bought back) during the year | - | - |
| Balance at 31st March, 2018 | 5,076,800 | 50,768,000 |
| Add / (Less) : Issued / (Bought back) during the year | - | - |
| Balance at 31st March, 2019 | 5,076,800 | 50,768,000 |

**b) Terms / rights attached to Equity Shares:**

- i. 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.

c) Details of shares held by each shareholders holding more than 5% shares**i. Equity Share Capital**

| | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | No. of shares held | % holding of this class of shares | No. of shares held | % holding of this class of shares |
| Ordinary Equity Shares | | | | |
| Kyoto Merchandise Private Limited | 400,000 | 7.88% | 400,000 | 7.88% |
| Sulakshana Trade Holdings Limited | 285,660 | 5.63% | 285,660 | 5.63% |
| Anand Nandkishore Sarda | 584,000 | 11.50% | 584,000 | 11.50% |
| Asha Agriculture & Properties Pvt. Ltd. | 526,500 | 10.37% | 526,500 | 10.37% |
| Nandkishore Sarda | 264,640 | 5.21% | 143,000 | 2.82% |

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Note 15. Other Equity | | |
| Capital Reserve | 2,500,000 | 2,500,000 |
| Securities Premium Reserve | 27,379,000 | 27,379,000 |
| Retained Earning | 108,824,078 | 40,436,031 |
| Total | 138,703,078 | 70,315,031 |
| Capital Reserve | | |
| Balance at the beginning of the year | 2,500,000 | 2,500,000 |
| Add / (Less) : | - | - |
| Balance at the end of the year | 2,500,000 | 2,500,000 |
| Securities Premium | | |
| Balance at the beginning of the year | 27,379,000 | 27,379,000 |
| Add / (Less) : | - | - |
| Balance at the end of the year | 27,379,000 | 27,379,000 |
| Retained Earnings | | |
| Balance at the beginning of the year | 40,436,031 | (2,039,422) |
| Profit attributable to the owners of the company | 67,732,099 | 41,136,479 |
| Other comprehensive income for the year | 655,948 | 1,338,974 |
| Balance at the end of the year | 108,824,078 | 40,436,031 |



| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-------------------------|-------------------------|
| Note 16. Borrowings | | |
| Non-current | | |
| (i) Term Loans - Unsecured | | |
| From bank (Refer footnote a) | 1,321,265 | 2,440,252 |
| | <u>1,321,265</u> | <u>2,440,252</u> |
| Less: Transferred to Current Maturities of Long Term Loan from Banks | - | (687,589) |
| Transferred to current borrowing | (469,505) | (426,455) |
| | <u>(469,505)</u> | <u>(1,114,044)</u> |
| Total | <u>851,760</u> | <u>1,326,208</u> |

Footnotes:

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

Current**Secured (Refer Footnote a)**

| | | |
|-----------|------------|------------|
| From Bank | 86,968,644 | 57,213,871 |
|-----------|------------|------------|

Unsecured (Refer footnote b)

Loans repayable on demand:

| | | |
|--------------------------------|-----------|------------|
| - From Related Party | 47,236 | 1,740,869 |
| - Corporate Loans and advances | 3,854,796 | 13,507,944 |
| - From Directors | - | - |

| | | |
|--------------|-------------------|-------------------|
| Total | <u>90,870,676</u> | <u>72,462,684</u> |
|--------------|-------------------|-------------------|

Footnote :

- a) Working capital loan from Bank is Secured against hypothecation of stocks and book debts and Plant and Machinerles carrying Interest rate @ 10.50%.

All facilities including working capital loan, bills discounting limit backed by Letters of credit and Bank Guarantee limit are further secured by way of Notorized Equitable Mortgage of house property of one director as Collateral security.

All facilities are secured by personal guarantees of two directors.

- b. Unsecured loan carry interest rate @ 11%.

Note 19. Trade payables

| | | |
|------------------------|-------------------|--------------------|
| MSME | 1,244,321.07 | - |
| Acceptances | - | 39,283,855 |
| Other than Acceptances | 26,059,729.47 | 75,153,187 |
| Total | <u>27,304,051</u> | <u>114,437,042</u> |

Footnote :

As per information available with the Company regarding dues to Micro, Small and Medium Enterprises as defined under the Micro Small Medium Enterprises Development, Act 2006 (MSMED Act), none of the suppliers of the Company are registered under MSMED Act, and the same has been relied upon by the auditors.



| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| Note 20. Other financial liabilities | | |
| Current | | |
| Current maturities of long-term debts (Refer Note 16) | 687,589 | 687,589 |
| Other payables | 104,882 | - |
| Total | 792,471 | 687,589 |
| Note 17. Provisions | | |
| Non-current | | |
| Employee Benefits | | |
| Provision for Gratuity | 2,809,517 | 2,500,544 |
| Provision for leave benefit | 349,087 | 317,510 |
| Total | 3,158,604 | 2,818,054 |
| Current | | |
| Employee Benefits | | |
| Provision for Gratuity | 1,745,466 | 1,779,847 |
| Provision for leave benefit | 181,682 | 169,799 |
| Total | 1,927,148 | 1,949,646 |
| Note 21. Other liabilities | | |
| Current | | |
| Advance from customers | 982,395.73 | 1,105,454 |
| Other payables | 16,243,014.96 | 9,170,500 |
| Total | 17,225,410 | 10,275,954 |
| Note 22. Current Tax Liabilities | | |
| Provision for Tax | 26,329,000 | 21,281,440 |
| Less: Advance Tax | (19,996,816) | (13,301,281) |
| Total | 6,332,184 | 7,980,159 |
| Note 18. Deferred tax assets (Net) | | |
| The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet | | |
| Deferred Tax Asset | | 1,250,338 |
| Deferred Tax Liability | | (4,257,194) |
| | | (3,006,856) |

| 2018-2019 | Opening Balance | Credit / (Charge) in statement of | |
|--|--------------------|--------------------------------------|--------------------|
| | | Profit and Loss | Closing Balance |
| Deferred tax assets / (liabilities) in relation to: | | | |
| On account of Allowances under Income Tax Act | (451,031) | (1,139,599) | (1,590,630) |
| On account of Employee Benefits | 1,250,338 | (1,250,338) | |
| Property, plant and equipment | (3,806,163) | 3,806,163 | |
| Total | (3,006,856) | 1,416,226 | (1,590,630) |



| PARTICULARS | Credit / (Charge) in statement of | | |
|---|--------------------------------------|-------------------------|--------------------|
| | As at 31 March, 2019 | As at 31 March, 2018 | |
| 2017-2018 | Opening Balance | Profit and Loss | Closing Balance |
| Deferred tax assets / (liabilities) in relation to : | | | |
| On account of Allowances under Income Tax Act | (446,730) | (4,300) | (451,031) |
| On account of Employee Benefits | 1,123,579 | 126,759 | 1,250,338 |
| Property, plant and equipment | (3,834,142) | 28,579 | (3,806,163) |
| Total | (3,157,893) | 151,038 | (3,006,856) |
| Note 21. Revenue from operations | 31st March 2019 | 31st March 2018 | |
| Sale of Goods | 1,058,238,031 | 859,787,598 | |
| Sale of Services | 83,425,043 | 27,331,809 | |
| Total | 1,141,663,074 | 887,119,407 | |
| Note 22. Other income | | | |
| Interest Received | 13,054,053 | 6,006,536 | |
| Dividend Received | 342,597 | - | |
| | 13,396,650 | 6,006,536 | |
| Note 23. Costs Of Material Consumed | | | |
| Opening Stock of Raw Material | 21,306,487 | 23,343,615 | |
| Add: Purchases Including Expenses | 890,890,994 | 631,025,677 | |
| | 912,197,481 | 654,369,292 | |
| Less: Sales of Raw Material | (14,374,619) | (4,394,359) | |
| Less: Closing Stock of Raw Material | (29,225,604) | (21,306,487) | |
| Total | 868,597,258 | 628,668,446 | |
| Note 24. Changes in Inventories of Finished Goods | | | |
| Opening Stock of Finished Goods | 36,202,106 | 70,195,396 | |
| Less: Closing Stock of Finished Goods | (32,084,599) | (36,202,106) | |
| Total | 4,117,507 | 33,993,290 | |
| Note 25. Employee Benefits Expense | | | |
| Salaries, bonus, etc. | 21,303,117 | 19,335,874 | |
| Contribution to provident and other funds | 1,050,411 | 1,015,703 | |
| Staff welfare expenses | 339,913.92 | 216,525 | |
| Total | 22,693,442 | 20,568,102 | |
| Note 26. Finance Costs | | | |
| Interest Expense | 7,444,289 | 6,251,560 | |
| Total | 7,444,289 | 6,251,560 | |
| Note 27. Depreciation and Amortisation Expenses | | | |
| Depreciation of property, plant and equipment | 2,670,935 | 2,621,017 | |
| Total | 2,670,935 | 2,621,017 | |



| PARTICULARS | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|-------------------------------------|--------------------------------|--------------------------------|
| Note 28. Other Expenses | | |
| Consumption of Stores & Spare Parts | 7,256,666 | 8,216,899 |
| Power & Fuel | 56,125,108 | 45,955,281 |
| Repairs & Maintenance to | | |
| Plant & Machinery | 276,600 | 1,097,702 |
| Building | 2,318,778 | 990,325 |
| Others | 798,623 | 254,523 |
| Finished Goods Expenses | 1,347,840 | 1,506,730 |
| Rent Paid | 5,251,235 | 5,525,770 |
| Bank Charges & Interest on LC Disc. | 2,551,971 | 3,955,956 |
| Bank Processing Charges | 151,600 | 150,000 |
| Excise Duty on Closing stock | - | (9,487,666) |
| FG Outward Transportation Charges | 35,361,236 | 23,741,417 |
| Cash Discount | 13,364,261 | 12,783,734 |
| Factory Operating Expenses | 3,282,220 | 2,107,748 |
| Keyman Insurance | 2,000,000 | 2,000,000 |
| Professional charges | 4,446,023 | 8,828,693 |
| Contractors Payments | 14,589,185 | 6,246,457 |
| Director Sitting Fees | 22,000 | 23,000 |
| Other Miscellaneous Expenses | 5,096,291 | 5,212,868 |
| Payment to Auditors | | |
| Audit Fees | 100,000 | 100,000 |
| Taxation Matters | 75,000 | 75,000 |
| Certification Work | 75,000 | 75,000 |
| Total | 154,499,638 | 119,359,437 |

Note 29. Earnings Per Share (EPS)

| | | |
|-----------------------------------|-------|------|
| Basic & Diluted Earning Per Share | 13.34 | 8.10 |
|-----------------------------------|-------|------|

29.1 Basic & Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows :

| | | |
|--|-------------------|-------------------|
| Profit for the year attributable to the owners of the Company | 67,732,099 | 41,136,479 |
| Earnings used in the calculation of basic earnings per share | 67,732,099 | 41,136,479 |
| Weighted average number of equity shares for the purposes of earnings per share | 5,076,800 | 5,076,800 |
| Basic & Diluted EPS | 13.34 | 8.10 |



| PARTICULARS | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|--------------------------------|--------------------------------|
| Note 30(1). Post Retirement Benefit Plans | | |
| The Principal assumptions used for the purpose of the actuarial valuations were as follows, | | |
| Gratuity : | | |
| Discount Rate | 6.85% | 7.29% |
| Expected rate of salary increase | 6% | 6% |
| Expected average remaining service | 4.12 | 4.55 |
| Service cost | | |
| Current service cost | 366,325 | 391,062 |
| Past service cost and (gain)/loss from settlement | - | - |
| Net interest expense | 304,786 | 295,891 |
| Component of define benefit cost recognised in profit or loss | 671,111 | 686,953 |
| Actuarial (gains) / losses for the period | (197,481) | (829,445) |
| Component of defined benefit cost recognised in other comprehensive income | (197,481) | (829,445) |
| Total | 473,630 | (142,492) |
| Present value of funded defined benefit obligation | 4,554,983 | 4,422,883 |
| Fair value of plan assets | - | - |
| Funded status | (4,554,983) | (4,422,883) |
| Movement in PV of defined benefit obligation | | |
| Opening define benefit obligation | 4,280,391 | 4,422,883 |
| Current service cost | 366,325 | 391,062 |
| Interest cost | 304,786 | 295,891 |
| Remesaurement (gains) / (losses): | | |
| Actuarial (gains) and losses arising from changes in financial assumption | 57,631 | (82,413) |
| Actuarial (gains) and losses arising from changes in experience adjustment | (255,112) | (747,032) |
| Benifits paid | (199,038) | - |
| closing define benefit obligation | 4,554,983 | 4,280,391 |
| Movements in fair value of plan assets | | |
| Opening fair value of plan assets | - | - |
| closing fair value of plan assets | - | - |



| Asset Information: | Total Amount | Target Allocation % |
|-------------------------------------|--------------|------------------------|
| Gratuity Fund | - | - |
| Expected Payout: | | PVO Payout |
| Expected Outgo First Year | | 1,745,466 |
| Expected Outgo Second Year | | 596,536 |
| Expected Outgo Third Year | | 349,942 |
| Expected Outgo Fourth Year | | 671,056 |
| Expected Outgo Fifth Year | | 318,005 |
| Expected Outgo Sixth to Tenth Years | | 1,403,508 |

Sensitivity Analysis:

As of 31st March, 2019, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs. 44,26,884

As of 31st March, 2019, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs. 46,93,945

As of 31st March, 2019, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs. 46,85,862.

As of 31st March, 2019, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 44,32,145.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March, 2020 is Rs. 362,996

Narrations:**1 Analysis of Defined Benefit Obligation**

The number of members under the scheme have decreased by 5.00%. The total salary has decreased by 3.32% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 6.42%.

2 Expected rate of return basis:

Scheme is not funded EORA is not applicable.

3 Description of Plan Assets and Reimbursement Conditions

Not applicable

4 Investment / Interest Risk

Since the scheme is unfunded the Company is not exposed to Investment / Interest risk.

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

The discount rate has decreased from 7.29% to 6.85% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.



| PARTICULARS | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|--------------------------------|--------------------------------|
| Note 30(2). Post Retirement Benefit Plans | | |
| The Principal assumptions used for the purpose of the actuarial valuations were as follows, | | |
| Leave: | | |
| Discount Rate | 6.85% | 7.29% |
| Expected rate of salary increase | 6% | 6% |
| Expected average remaining service | 4.12 | 4.55 |
| Service cost | | |
| Current service cost | 527,610 | 473,046 |
| Past service cost and (gain)/loss from settlement | - | - |
| Net interest expense | 33,386 | 38,546 |
| Component of define benefit cost recognised in profit or loss | 560,996 | 511,592 |
| Actuarial (gains) / losses for the period | (458,467) | (509,529) |
| Component of defined benefit cost recognised in other comprehensive income | (458,467) | (509,529) |
| Total | 102,529 | 2,063 |
| Present value of funded defined benefit obligation | 487,309 | 572,251 |
| Fair value of plan assets | - | - |
| Funded status | (487,309) | (572,251) |
| Movement in PV of defined benefit obligation | | |
| Opening define benefit obligation | 487,309 | 572,251 |
| Current service cost | 527,610 | 473,046 |
| Interest cost | 33,386 | 38,546 |
| Remesasurement (gains) / (losses): | - | - |
| Actuarial (gains) and losses arising from changes in financial assumption | - | - |
| Actuarial (gains) and losses arising from changes in experience adjustment | -458,867 | (509,529) |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Liabilities extinguished on settlements | - | - |
| Liabilities assumed in a business combination | - | - |
| Exchange difference on foreign plan | - | - |
| Benefits paid | -58,669 | (87,005) |
| closing define benefit obligation | 530,769 | 487,309 |
| Movements in fair value of plan assets | | |
| Opening fair value of plan assets | - | - |
| closing fair value of plan assets | - | - |



| Asset Information : | Total Amount | Target Allocation % |
|-------------------------------------|-------------------|------------------------|
| Gratuity Fund | - | - |
| Expected Payout: | PVO Payout | |
| Expected Outgo First Year | 181,682 | |
| Expected Outgo Second Year | 83,661 | |
| Expected Outgo Third Year | 34,750 | |
| Expected Outgo Fourth Year | 105,867 | |
| Expected Outgo Fifth Year | 20,915 | |
| Expected Outgo Sixth to Tenth Years | 154,833 | |

Sensitivity Analysis:

As of 31st March, 2019, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs. 514,898

As of 31st March, 2019, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs. 548,115

As of 31st March, 2019, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs. 547,106

As of 31st March, 2019, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs. 515,554

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March, 2020 is Rs. 5,60,932

Narrations :**1 Analysis of Defined Benefit Obligation**

The resultant liability at the end of the period over the beginning of the period has decreased by 8.92%.

2 Expected rate of return basis:

Scheme is not funded EORAs not applicable.

3 Description of Plan Assets and Reimbursement Conditions

Not applicable

4 Investment/Interest Risk

Since the scheme is unfunded the Company is not exposed to Investment / Interest risk.

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

The discount rate has remain unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in discount rate.

**Note 31:- Contingent Liability.**

| | Particulars | 31st March, 2019 | 31st March, 2018 |
|----|---|------------------|------------------|
| a) | Labour Cases | - | - |
| b) | Central Excise Duty Matter | 14,637,177 | 13,948,757 |
| c) | Income Tax Matter | 152,630 | 152,630 |
| d) | Sales tax matter other than e) | 7,872,475 | 7,872,475 |
| e) | Sales tax matter other than d) above the total liability of company before De-merger. The allocation shall be made after final computation in the demerged company and resultant companies. | 16,724,366 | 16,724,366 |
| f) | Service Tax | 115,559 | - |

Note 32:- Minimum lease payable are as follows.

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Within one year | 6,048,000 | 5,788,450 |
| Later than one but not later than 5 years | 12,096,000 | 23,630,158 |
| Later than 5 years | - | - |

Note 33 :- RELATED PARTIES DISCLOSURES**A. Key Management Personnel**

- 1 Shri. N.K. Sarda
- 2 Smt. Poonam Sarda

B. Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence)

- 1 Asha Agriculture & Properties Pvt. Ltd.
- 2 Jaydeep Dealers Pvt. Ltd.
- 3 Kyoto Merchandise Pvt. Ltd.
- 4 Navdeep Agriculture & Properties P. Ltd.
- 5 Sharda Dharamkanta
- 6 Sharda Ispat Industries Ltd.
- 7 Shardashree Ispat Ltd.
- 8 Sharda Auto Industries Ltd.
- 9 In-Link Capital Services Pvt. Ltd.
- 10 Indigo Denim Pvt. Ltd.

C Relatives of key Managerial Personnel

- 1 Smt. Ashadevi Sarda
- 2 Shri. Anand Sarda



| | Particulars | Key Management Personnel | Relatives of key Managerial Personnel | Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence) |
|---|--|--------------------------|---------------------------------------|--|
| 1 | Directors Remuneration | | | |
| | N.K. Sarda | 3,600,000 (3,600,000) | - (-) | - (-) |
| | Poonam Sarda | 3,000,000 (3,000,000) | - (-) | - (-) |
| 2 | Rent Paid | | | |
| | Ashadevi Sarda | | 15,000 (12,000) | - (-) |
| | Sharda Ispat Industries Ltd. | - (-) | - (-) | 4,800,000 (4,800,000) |
| 3 | Receiving of Services | | | |
| | Anand Sarda | - (-) | 800,000 (800,000) | - (-) |
| 4 | Unsecured Loan Repaid | | | |
| | N.K. Sarda | 37,763 (-) | - (-) | - (-) |
| 5 | Sales of Material / Services | | | |
| | Shardashree Ispat Ltd. | - (-) | - (-) | 12,939,429 (6,099,898) |
| | Sharda Auto Industries Ltd. | - (-) | - (-) | 140,440,847 (105,992,413) |
| | Indigo Denim Pvt. Ltd. | - (-) | - (-) | 3,009 (9,329) |
| 6 | Receiving of Service | | | |
| | Sharda Dharamkata | - (-) | - (-) | 176,400 (351,154) |
| 7 | Interest Paid | | | |
| | Navdeep Agriculture & Properties P. Ltd. | - (-) | - (-) | - (9,227) |
| | Sharda Ispat Industries Ltd. | - (-) | - (-) | - (23,540) |
| | N.K. Sarda | 52,484 (-) | - (-) | - (-) |
| | In-Link Capital Services Pvt. Ltd. | - (-) | - (-) | 141,693 (199,818) |



| | | | | |
|----|---|-----------|-----|--------------|
| 8 | Interest Received Kyoto Merchandise Pvt. Ltd. | - | - | 9,800,728 |
| | | (-) | (-) | (5,013,631) |
| 9 | Purchases of Goods Shardashree Ispat Ltd | - | - | - |
| | | (-) | (-) | (130,561) |
| | Sharda Auto Industries Ltd | - | - | 484,816 |
| | | (-) | (-) | (-) |
| | Indigo Denim Pvt. Ltd. | - | - | 40,970 |
| | | (-) | (-) | (-) |
| 10 | Unsecured Loan Repaid N.K. Sardar | 2,305,248 | - | - |
| | | (-) | (-) | (-) |
| | Asha Agriculture & Properties Pvt. Ltd. | - | - | - |
| | | (-) | (-) | (3,496) |
| | Jaydeep Dealers Pvt. Ltd. | - | - | - |
| | | (-) | (-) | (64,630) |
| | Navdeep Agriculture & Properties P. Ltd. | - | - | 7,969 |
| | | (-) | (-) | (2,099,314) |
| | Sharda Ispat Industries Ltd. | - | - | - |
| | | (-) | (-) | (8111,254) |
| | Sharda Auto Industries Ltd. | - | - | - |
| | | (-) | (-) | (3,256,952) |
| | In-Link Capital Services Pvt. Ltd. | - | - | 1,726,739 |
| | | (-) | (-) | (1,452,535) |
| 11 | Unsecured Loan Granted Kyoto Merchandise Pvt. Ltd. | - | - | 60,585,411 |
| | | (-) | (-) | (82,950,000) |
| | Sharda Auto Industries Ltd. | - | - | - |
| | | (-) | (-) | (1,243,048) |
| 12 | Unsecured Loan Refunded Kyoto Merchandise Pvt. Ltd. | - | - | 110,100,073 |
| | | (-) | (-) | (9,073,184) |
| | Sharda Auto Industries Ltd. | - | - | 117,505 |
| | | (-) | (-) | (1,256,104) |
| 13 | Unsecured Loan Received N. K. Sarda | 2,300,000 | - | - |
| | | (-) | (-) | (-) |



| Particulars | | | |
|--|--|------------------|------------------|
| Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence) | | 31st March, 2019 | 31st March, 2018 |
| A) | | | |
| 1 | Unsecured Loan Payable | | |
| | Navdeep Agriculture & Properties P. Ltd. | - | 7,969 |
| | Sharda Ispat Industries Ltd. | - | 20,330 |
| | Sharda Auto Industries Ltd. | - | - |
| | Jaydeep Dealers Pvt. Ltd. | - | - |
| | In Link Capital Services Pvt. Ltd. | 127,524 | 1,713,670 |
| 2 | Unsecured Loan Receivable | | |
| | Kyoto Merchandise Pvt. Ltd. | 71,067,356 | 110,781,290 |
| | Sharda Auto Industries Ltd. | - | 117,505 |
| 3 | Trade Receivables | | |
| | Sharda Auto Industries Ltd. | 19,240,735 | 41,393,249 |
| 4 | Trade Payables | | |
| | Sharda Dharamkanta | 176,400 | 208,245 |
| | Sharda Ispat Industries Ltd. | 232,000 | 432,000 |
| | Shardashree Ispat Ltd | 103,605 | - |
| B) | Key Management Personnel | | |
| 1 | Unsecured Loan Payable | | |
| | N. K. Sarda | 47,236 | - |

Note :

1. The Figures in the bracket are related to Previous Year.
2. Related party identified by company and relied upon by auditor.

Note 34. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

a) Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

b) Foreign currency risk

The company imports certain material against Letter of Credit for which hedging instruments are not required.

**c) Equity price risk**

The Company's equity securities are not majorly susceptible to market price risk. However, the company's board of directors reviews and approves all equity investment decisions after taking due diligence which may affect the market related risk.

2) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

3) Liquidity risk

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Note 35. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the company's management is to maximise shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by total capital of the company.

Gearing Ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|---|---------------------------------|---------------------------------|
| Borrowings including current maturities | 92,410,025 | 74,902,936 |
| Total Debt | 92,410,025 | 74,902,936 |
| Less: Cash and cash equivalents | 13,610,539 | 5,176,930 |
| Net Debt (A) | 78,799,487 | 69,726,006 |
| Equity Share Capital | 50,768,000 | 50,768,000 |
| Other Equity | 138,703,078 | 70,315,031 |
| Total Equity (B) | 189,471,078 | 121,083,031 |
| Debt Equity Ratio (A/B) | 0.42 | 0.58 |



Note 36. Categories Of Financial Instruments

Fair Value measurement

| | 31st March, 2019 | | 31st March, 2018 | |
|--------------------------------|------------------|--------------------|------------------|--------------------|
| | FVRL / FVOCI | Amortised Cost | FVRL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Investments | - | 3,262,600 | - | 3,262,600 |
| Trade receivables | - | 97,902,442 | - | 96,410,577 |
| Cash and cash equivalents | - | 13,610,539 | - | 5,176,930 |
| Bank balances other than above | - | 2,534,993 | - | 4,040,463 |
| Loans | - | 71,101,106 | - | 111,071,945 |
| Other financial assets | - | 5,384,261 | - | 5,121,637 |
| Total | - | 193,795,941 | - | 225,084,152 |
| Financial Liabilities | | | | |
| Borrowings | - | 91,722,436 | - | 73,788,892 |
| Trade payables | - | 27,304,051 | - | 114,437,042 |
| Other Financial liabilities | - | 792,471 | - | 687,589 |
| Total | - | 119,818,958 | - | 188,913,523 |

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

For and on behalf of the Board of Directors

CA.SWASTIK JAIN
PARTNER
Membership No.111580

(Nandkishore Sarda)
(Chairman cum Managing Director)
(DIN 00229911)

(Poonam Sarda)
(Whole Time Director & CFO)
(DIN 00190512)

Nagpur
Date: 30th May, 2019

(Amit B. Mundada)
(Company Secretary)



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

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

1. REGISTRATION AND OTHER DETAILS:

- i. CIN :- L74210MH1960PLC011830
- ii. Registration Date: 22-09-1960
- iii. Name of the Company: Sharda Ispat Limited
- iv. Category / Sub-Category of the Company : Company Limited by Shares/ Indian Non-Government Company
- v. Address of the Registered office and contact details: Kamptee Road, Nagpur-440026
Tel : 0712-2640071-74, E-mail :- shardaispat.ngp@gmail.com.
- vi. Whether listed company : Yes / Ne
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any :
Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Marol, Andheri, (E), Mumbai 400059, Tel : 91-22-28594060 Fax: 91-22-28503748
E-mail: adroit@vsnl.net

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S.No. | Name and Description of main products / services | NIC Code of the Product/ Service | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1. | Manufacture of Basic Iron and Steel- Hot rolled Product Steel | 24101 | 100 |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has no Subsidiary/Associate/Joint venture Company (ies) in terms of the provisions of the Companies Act, 2013.

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

- i. Category-wise Share Holding



| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a. Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b. Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c. State Govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d. Bodies Corp. | 1675120 | 30000 | 1705120 | 33.59 | 1675120 | 0 | 1675120 | 33.00 | -0.59 |
| e. Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f. Any Other | | | | | | | | | |
| f-1. Partnership Firm | 0 | 20000 | 20000 | 0.39 | 0 | 10000 | 10000 | 0.20 | -0.20 |
| f-2. Directors | 266060 | 0 | 266060 | 5.24 | 382700 | 10000 | 392700 | 7.74 | 2.49 |
| f-3. Directors Relatives | 1340340 | 476080 | 1816420 | 35.78 | 1343040 | 386740 | 1729780 | 34.07 | -1.71 |
| Sub-total (A) (1):- | 3281520 | 526080 | 3807600 | 75.00 | 3400860 | 406740 | 3807600 | 75.00 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 3281520 | 526080 | 3807600 | 75.00 | 3400860 | 406740 | 3807600 | 75.00 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i. Indian | 166171 | 320360 | 486531 | 9.58 | 160086 | 320360 | 480446 | 9.46 | -0.12 |
| ii. Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to Rs. 1 lakh | 71352 | 631300 | 702652 | 13.84 | 115041 | 593600 | 708641 | 13.96 | 0.12 |



| | | | | | | | | | |
|--|----------------|----------------|----------------|---------------|----------------|----------------|----------------|--------------|-------------|
| ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 65000 | 65000 | 1.28 | 0 | 65000 | 65000 | 1.28 | 0.00 |
| c) Others | | | | | | | | | |
| Trust | 0 | 150000 | 150000 | 0.30 | 112 | 150000 | 15112 | 0.30 | 0.00 |
| Non Resident Indians (Individuals) | 2 | 0 | 2 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Clearing Member | 15 | 0 | 15 | 0.00 | 1 | 0 | 1 | 0.00 | 0.00 |
| Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2) | 237540 | 1031660 | 1269200 | 25.00 | 275240 | 993960 | 1269200 | 25.00 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 3519060 | 1557740 | 5076800 | 100.00 | 3676100 | 1400700 | 5076800 | 100 | 0.00 |

ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Abhiculp Agriculture and Property (P) Ltd. | 30000 | 0.59 | N.A | 0 | 0.00 | N.A | -0.59 |
| 2. | Asha Agriculture and Properties Pvt. Ltd. | 526500 | 10.37 | N.A | 526500 | 10.37 | N.A | 0.00 |
| 3. | Kyoto Merchandise Pvt. Ltd | 400000 | 7.88 | N.A | 400000 | 7.88 | N.A | 0.00 |
| 4. | Navdeep Agriculture and Properties Pvt. Ltd. | 243380 | 4.79 | N.A | 243380 | 4.79 | N.A | 0.00 |
| 5. | Prachi Agriculture and Property Pvt. Ltd. | 98100 | 1.93 | N.A | 98100 | 1.93 | N.A | 0.00 |
| 6. | Prem Agriculture and Property Pvt. Ltd. | 225740 | 4.45 | N.A | 225740 | 4.45 | N.A | 0.00 |
| 7. | Sarda Agriculture and Properties Pvt. Ltd. | 181400 | 3.57 | N.A | 181400 | 3.57 | N.A | 0.00 |
| 8. | Aditi G. Sarda | 20300 | 0.40 | N.A | 0 | 0.00 | N.A | -0.40 |
| 9. | Aditya Ghanshyam Sarda | 32200 | 0.63 | N.A | 32200 | 0.63 | N.A | 0.00 |
| 10. | Anand Sarda | 584000 | 11.50 | N.A | 584000 | 11.50 | N.A | 0.00 |



| | | | | | | | | |
|-----|------------------------------------|----------------|--------------|------------|----------------|--------------|------------|-------------|
| 11. | Anandkumar Nandkishore Sarda (HUF) | 24000 | 0.47 | N.A | 24000 | 0.47 | N.A | 0.00 |
| 12. | Anant Sarda | 31500 | 0.62 | N.A | 31500 | 0.62 | N.A | 0.00 |
| 13. | Ashadevi Sarda | 166520 | 3.28 | N.A | 196520 | 3.87 | N.A | 0.59 |
| 14. | Ghanshyam Das Sarda (HUF) | 4000 | 0.08 | N.A | 0 | 0.00 | N.A | -0.08 |
| 15. | Ghanshyam Sarda | 87400 | 1.72 | N.A | 87400 | 1.72 | N.A | 0.00 |
| 16. | Jugal kishore Sarda (HUF) | 41380 | 0.82 | N.A | 41380 | 0.82 | N.A | 0.00 |
| 17. | Jugalkishore Sarda | 90200 | 1.78 | N.A | 90200 | 1.78 | N.A | 0.00 |
| 18. | Kamalkishore Sarda | 100120 | 1.97 | N.A | 100120 | 1.97 | N.A | 0.00 |
| 19. | Kamini Sarda | 1200 | 0.02 | N.A | 1200 | 0.02 | N.A | 0.00 |
| 20. | Kunj Behari Sharda | 1500 | 0.03 | N.A | 1500 | 0.03 | N.A | 0.00 |
| 21. | Madhubala Thakurdas Laddha | 11200 | 0.22 | N.A | 0 | 0.00 | N.A | -0.22 |
| 22. | Manish Jugalkishore Sarda | 25700 | 0.51 | N.A | 25700 | 0.51 | N.A | 0.00 |
| 23. | Nandkishore Sarda (HUF) | 50340 | 0.99 | N.A | 0 | 0.00 | N.A | -0.99 |
| 24. | Nand Kishor R. Sarda (HUF) | 66300 | 1.31 | N.A | 0 | 0.00 | N.A | -1.31 |
| 25. | Nandkishore Sarda | 143000 | 2.82 | N.A | 264640 | 5.21 | N.A | 2.39 |
| 26. | Neeraj Sarda | 57800 | 1.14 | N.A | 57800 | 1.14 | N.A | 0.00 |
| 27. | Pankaj Sarda | 33600 | 0.66 | N.A | 27100 | 0.53 | N.A | -0.13 |
| 28. | Poonam Sarda | 123060 | 2.42 | N.A | 128060 | 2.52 | N.A | 0.10 |
| 29. | Prachi Kamalkishore Sarda | 10000 | 0.20 | N.A | 10000 | 0.20 | N.A | 0.00 |
| 30. | Premalata Sarda | 84500 | 1.66 | N.A | 84500 | 1.66 | N.A | 0.00 |
| 31. | Raghav Sarda | 32200 | 0.63 | N.A | 0 | 0.00 | N.A | -0.63 |
| 32. | Ramkishore Shrilal Sarda | 58460 | 1.15 | N.A | 58460 | 1.15 | N.A | 0.00 |
| 33. | R.R.Sarda and Company | 10000 | 0.20 | N.A | 10000 | 0.20 | N.A | 0.00 |
| 34. | Sandeep T. Laddha | 10000 | 0.20 | N.A | 0 | 0.00 | N.A | -0.20 |
| 35. | Shakuntaladevi Sarda | 41400 | 0.82 | N.A | 155200 | 3.06 | N.A | 2.24 |
| 36. | Sharda Dharam Kanta | 10000 | 0.20 | N.A | 0 | 0.00 | N.A | -0.20 |
| 37. | Shashi K.Rathi | 16600 | 0.33 | N.A | 0 | 0.00 | N.A | -0.33 |
| 38. | Sheetal K.Rathi | 3000 | 0.06 | N.A | 0 | 0.00 | N.A | -0.06 |
| 39. | Smita T.Laddha | 10000 | 0.20 | N.A | 0 | 0.00 | N.A | -0.20 |
| 40. | Umadevi Sarda | 66000 | 1.30 | N.A | 66000 | 1.30 | N.A | 0.00 |
| 41. | Veenadevi G.Sarda | 55000 | 1.08 | N.A | 55000 | 1.08 | N.A | 0.00 |
| | Total | 3807600 | 75.00 | N.A | 3807600 | 75.00 | N.A | 0.00 |



iii. Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | 3807600 | 75.00 | 3807600 | 75.00 |
| 2. | Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc): | As per the details given in point no. 3.1 | | | |
| 3. | At the End of the year | 3807600 | 75.00 | 3807600 | 75.00 |

3.1. Details of Change in Promoters Shareholding during the year 2018-19:

| Sl. No. | Name | | Shareholding (Beginning of the year) | | Transactions during the year | | | Cumulative Shareholding during the year | |
|---------|----------------------------|---|--------------------------------------|-------------------|------------------------------|---|---------------|---|-------------------|
| | | | No. of Shares | % of total Shares | Date | Reason | No. of Shares | Cumulative | % of total Shares |
| 1 | Nand-kishore Sarda (HUF) | At the beginning of the year | 50340 | 0.99 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 24.05. 2018 | Change of name of promoter from HUF to Individual | - 50340 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 2 | Nand-kishore R.Sarda (HUF) | At the beginning of the year | 66300 | 1.31 | | | | | |
| | | Date wise Increase/ Decrease in | | | 24.05. 2018 | Change of name of promoter | - 66300 | 0 | 0.00 |



| | | | | | | | | | |
|---|--------------------------|---|--------|------|---------------------------|--|---------------|--------|------|
| | | Promoters Share holding during the year specifying the reasons for increase /decrease | | | | from HUF to Individual | | | |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 3 | Nand-kishore Sarda (HUF) | At the beginning of the year | 143000 | 2.82 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 24.05. 2018 & 30.03. 2019 | Change of name of promoter from HUF to Individual & Change of name of promoter | 116640 & 5000 | 264640 | 5.21 |
| | | At the end of the year | 264640 | 5.21 | | | | | |
| 4 | Sandeep T. Laddha | At the beginning of the year | 10000 | 0.20 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -10000 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 5 | Madhu-bala T. Laddha | At the beginning of the year | 11200 | 0.22 | | | | | |



| | | | | | | | | | |
|---|------------------|---|-------|------|-------------|---------------------------------|--------|---|------|
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -11200 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 6 | Shashi K. Rathi | At the beginning of the year | 16600 | 0.33 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -16600 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 7 | Sheetal K. Rathi | At the beginning of the year | 3000 | 0.06 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -3000 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |



| | | | | | | | | | |
|----|-----------------|---|-------|------|-------------|---------------------------------|--------|-------|------|
| 8 | Smita T. Laddha | At the beginning of the year | 10000 | 0.20 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -10000 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 9 | Pankaj Sarda | At the beginning of the year | 33600 | 0.66 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -6500 | 27100 | 0.53 |
| | | At the end of the year | 27100 | 0.53 | | | | | |
| 10 | Aditi G. Sarda | At the beginning of the year | 20300 | 0.40 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -20300 | 0 | 0.00 |



| | | | | | | | | | |
|----|---------------------------|---|-------|------|-------------|---------------------------------|--------|--------|------|
| | | At the end of the year | 0 | 0.00 | | | | | |
| 11 | Raghava Sarda | At the beginning of the year | 32200 | 0.63 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -32200 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 12 | Ghanshyam Das Sarda (HUF) | At the beginning of the year | 4000 | 0.08 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 20.11. 2018 | Transfer of Shares Through Gift | -4000 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 13 | Shakuntala Sarda | At the beginning of the year | 41400 | 0.82 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons | | | 20.11. 2018 | Transfer of Shares Through Gift | 113800 | 155200 | 3.06 |



| | | | | | | | | | |
|----|---|---|--------|------|-------------|----------------------------|--------|--------|------|
| | | for increase /decrease | | | | | | | |
| | | At the end of the year | 155200 | 3.06 | | | | | |
| 14 | Abhiculp Agriculture and Property Pvt Ltd | At the beginning of the year | 30000 | 0.59 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 30.03. 2019 | Transfer of Shares | -30000 | 0 | 0.00 |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 15 | Ashadevi Sarda | At the beginning of the year | 166520 | 3.28 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 30.03. 2019 | Transfer of Shares | 30000 | 196520 | 3.87 |
| | | At the end of the year | 196520 | 3.87 | | | | | |
| 16 | Sharda Dharam Kanta | At the beginning of the year | 10000 | 0.20 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase | | | 30.03. 2019 | Change of name of promoter | -10000 | 0 | 0.00 |



| | | | | | | | | | |
|----|--------------|---|--------|------|-------------|----------------------------|------|--------|------|
| | | /decrease | | | | | | | |
| | | At the end of the year | 0 | 0.00 | | | | | |
| 17 | Poonam Sarda | At the beginning of the year | 123060 | 2.42 | | | | | |
| | | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease | | | 30.03, 2019 | Change of name of promoter | 5000 | 128060 | 2.52 |
| | | At the end of the year | 128060 | 2.52 | | | | | |

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name of Shareholder's | Shareholding | | Date | Increase/ (Decrease) in Shareholding | Reason for increase/ decrease | Cumulative Shareholding during the year | |
|---------|-----------------------------------|--|----------------------------------|------|--------------------------------------|-------------------------------|---|----------------------------------|
| | | No. of Shares at the beginning/end of the year | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 1. | Sulakchana Trade Holdings Ltd. | 285660 | 5.63 | N.A | Nil | N.A | 285660 | 5.63 |
| 2. | Cherry Tie Up Pvt.Ltd. | 158972 | 3.13 | N.A | Nil | N.A | 158972 | 3.13 |
| 3. | Raj Arya | 25000 | 0.49 | N.A | Nil | N.A | 25000 | 0.49 |
| 4. | Sukumar Estates Ltd. | 21000 | 0.41 | N.A | Nil | N.A | 21000 | 0.41 |
| 5. | Gopaldas Nandlal Mundra | 20000 | 0.39 | N.A | Nil | N.A | 20000 | 0.39 |
| 6. | Shrigopal Pansari | 20000 | 0.39 | N.A | Nil | N.A | 20000 | 0.39 |
| 7. | Radhadevi Narayandas Mundra | 10000 | 0.20 | N.A | Nil | N.A | 10000 | 0.20 |
| 8. | K.K.S.(Trustee) Uma Family Trust | 7500 | 0.15 | N.A | Nil | N.A | 7500 | 0.15 |
| 9. | K.K.S.(Trustee) Lata Family Trust | 7500 | 0.15 | N.A | Nil | N.A | 7500 | 0.15 |
| 10. | Suresh Gupta | 5100 | 0.10 | N.A | Nil | N.A | 5100 | 0.10 |



v. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Director and KMP | Shareholding | | Date | Increase/ (Decrease) in Share holding | Reason for increase/ decrease | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---------------------|---------------------------------------|-----------------------------------|---|----------------------------------|
| | | No. of Shares at the beginning/end of the year | % of total Shares of the company | | | | No. of Shares | % of total Shares of the company |
| 1. | Shri. Nandkishore Sarda (Chairman & Managing Director) | 143000 | 2.82 | 24.05.18 & 30.03.19 | 121640 | Due to change of name of promoter | 264640 | 5.21 |
| 2. | Smt. Poonam Sarda (Whole-time Director & CFO) | 123060 | 2.42 | 30.03.19 | 5000 | Due to change of name of promoter | 128060 | 2.52 |
| 3. | Shri. Amit B. Mundada (Company Secretary & Compliance Officer) | 0 | 0 | N.A | Nil | No Shares held | 0 | 0 |

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|----------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 5,67,87,416 | 1,70,01,476 | 0 | 7,37,88,892 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total(i +ii + iii) | 5,67,87,416 | 1,70,01,476 | 0 | 7,37,88,892 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 2,97,11,724 | 0 | 0 | 2,97,11,724 |
| • Reduction | 0 | (1,17,78,179) | 0 | (1,17,78,179) |
| Net Change | 2,97,11,724 | (1,17,78,179) | 0 | 9,17,22,437 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 8,64,99,140 | 52,23,297 | 0 | 9,17,22,437 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total(i +ii + iii) | 8,64,99,140 | 52,23,297 | 0 | 9,17,22,437 |



6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---------|---|-------------------------|------------------|------------------|
| | | Nandkishore Sarda | Poonam Sarda* | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36,00,000 | 30,00,000 | 66,00,000 |
| | (b) Value of perquisites u/s17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - Others, specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 36,00,000 | 30,00,000 | 66,00,000 |
| | Ceiling as per the Act | 36,00,000 P.A. | 30,00,000 P.A. | |

*Smt. Poonam Sarda is Whole-time Director as well as CFO of the Company.

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|---|-------------------|---------------|--------------|---------------|
| | | R.P. Mohanka | Ramesh Mantri | H. K. Dass | |
| 1 | Independent Directors | | | | |
| | ● Fee for attending board meeting | 8,000 | 6,000 | 8,000 | 22,000 |
| | ● Commission | - | - | - | - |
| | ● Others, please specify | - | - | - | - |
| | Total (1) | 8,000 | 6,000 | 8,000 | 22,000 |
| 2 | Other Non-Executive Directors | | | | |
| | ● Fee for attending board committee meeting | - | - | - | - |
| | ● Commission | - | - | - | - |
| | ● Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| 3 | Total (B)=(1+2) | 8,000 | 6,000 | 8,000 | 22,000 |
| | Total Managerial Remuneration | 8,000 | 6,000 | 8,000 | 22,000 |
| | Overall Ceiling as per the Act | 1,00,000 | 1,00,000 | 1,00,000 | |
| | | Per Board Meeting | | | |



C. Remuneration to key managerial personnel other than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|--------------------------|-------------------|------------------|
| | | CFO | Company Secretary | Total |
| 1. | Gross salary | 30,00,000 | 4,81,507 | 34,81,507 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | | | |
| | • as % of profit | - | - | - |
| | • Others specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total | 30,00,000 | 4,81,507 | 34,81,507 |

* Smt. Poonam Sarda is whole time Director as well as CFO of the company. The total remuneration paid during the FY 2018-19 to her is Rs. 30 Lacs.

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| No instances of Penalties/ Punishment/ Compounding of offence or other officers in default | | | | | |
|--|------------------------------|-------------------|--|----------------------------|------------------------------------|
| Type | Section of the Companies Act | Brief Discription | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give details) |
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

**FORM NO. AOC. 2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

| S.No. | Particulars | Details |
|-------|---|---------|
| A | Name(s) of the related party and nature of relationship | - |
| B | Nature of contracts/arrangements/transactions | - |
| C | Duration of the contracts/arrangements/transactions | - |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any | - |
| E | Justification for entering into such contracts or arrangements or transactions | - |
| F | Date of approval by the Board | - |
| G | Amount paid as advances, if any | - |
| H | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | - |

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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | Smt. Ashadevi Sarda, wife of Shri. Nandkishore Sarda. |
| B | Nature of contracts/arrangements/transactions | Land admeasuring 0.746 acres taken on lease for using as Registered office of the Company |
| C | Duration of the contracts/arrangements/transactions | Permanent Lease |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Rent Rs. 12,000/- PerAnnum |
| E | Date(s) of approval by the Board, if any : | 20-04-1983 |
| F | Amount paid as advances, if any : | - |



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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | Sharda Ispat Industries Limited |
| B | Nature of contracts/arrangements/transactions | Land admeasuring 1.323 acres taken on lease for using as Registered office of the Company |
| C | Duration of the contracts/arrangements/transactions | 3 years |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Rent Rs. 48,00,000/- Per Annum (Exclusive of Taxes) |
| E | Date(s) of approval by the Board, if any : | 14-02-2016 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|--|
| A | Name(s) of the related party and nature of relationship | Shardashree Ispat Limited |
| B | Nature of contracts/arrangements/transactions | Sale of Billet, Flat and Store Materials |
| C | Duration of the contracts/arrangements/transactions | On going |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Sale of goods to above party on market price on time to time |
| E | Date(s) of approval by the Board, if any : | 30-5-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|--|
| A | Name(s) of the related party and nature of relationship | Sharda Auto Industries Limited |
| B | Nature of contracts/arrangements/transactions | Sale of Spring Steel Flat Bars |
| C | Duration of the contracts/arrangements/ transactions | 3 years |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Sale of goods to above party on market price on time to time |
| E | Date(s) of approval by the Board, if any : | 14-8-2017 |
| F | Amount paid as advances, if any : | - |



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

| S.No. | Particulars | Details |
|-------|--|--|
| A | Name(s) of the related party and nature of relationship | Sharda Dharamkanta |
| B | Nature of contracts/arrangements/transactions | Weighment and Transportation |
| C | Duration of the contracts/arrangements/transactions | On going |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Availing of Weighment and Transportation Services to above party on market price on time to time |
| E | Date(s) of approval by the Board, if any : | 30-5-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | Shri. Anand Sarda |
| B | Nature of contracts/arrangements/transactions | Consultancy Services |
| C | Duration of the contracts/arrangements/transactions | On going |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Availing of his technical consultancy services for the repairs and maintenance of Machines & Equipments at the company's plant located at Kamptee Road, Nagpur. |
| E | Date(s) of approval by the Board, if any : | 30-5-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|--|
| A | Name(s) of the related party and nature of relationship | M/s. Indigo Denim Private Limited |
| B | Nature of contracts/arrangements/transactions | Sale of M.S. Round |
| C | Duration of the contracts/arrangements/transactions | During the year 2018-19 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Sale of goods to above party on market price on time to time |
| E | Date(s) of approval by the Board, if any : | 30-5-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | M/s. Sharda Auto Industries Limited |
| B | Nature of contracts/arrangements/transactions | Purchase of Square Bar |
| C | Duration of the contracts/arrangements/transactions | During the year 2018-19 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Purchase of goods from the above party on market price time to time |
| E | Date(s) of approval by the Board, if any : | 30-5-2018 |
| F | Amount paid as advances, if any : | - |



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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | M/s. Shardashree Ispat Limited |
| B | Nature of contracts/arrangements/transactions | Purchase of Store Items |
| C | Duration of the contracts/arrangements/transactions | During the year 2018-19 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Purchase of goods from the above party on market price time to time |
| E | Date(s) of approval by the Board, if any : | 30-05-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|--|
| A | Name(s) of the related party and nature of relationship | M/s. Indigo Denim Private Limited |
| B | Nature of contracts/arrangements/transactions | Purchase of Cotton waste and denim jeans |
| C | Duration of the contracts/arrangements/transactions | During the year 2018-19 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Purchase of goods from the above party on market price on time to time |
| E | Date(s) of approval by the Board, if any : | 30-05-2018 |
| F | Amount paid as advances, if any : | - |

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

| S.No. | Particulars | Details |
|-------|--|---|
| A | Name(s) of the related party and nature of relationship | M/s. Shardashree Ispat Limited |
| B | Nature of contracts/arrangements/transactions | Purchase of Pneumatic Strapping Machine |
| C | Duration of the contracts/arrangements/transactions | During the year 2018-19 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any : | Purchase of goods from the above party on market price time to time |
| E | Date(s) of approval by the Board, if any : | 14-11-2018 |
| F | Amount paid as advances, if any : | - |

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors
Nandkishore Sarda
Chairman & Managing Director
DIN: 00229911
Address: Plot No.32,
Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010

**ANNEXURE V TO THE BOARD REPORT****Annual Report on Corporate Social Responsibility (CSR) Activities
For the Financial Year 2018-19.****1. Brief Outline of CSR Policy**

The Sharda Ispat Limited has been undertaking CSR programs focused on creating sustainable livelihoods and development. The company's long-term CSR objective is "to improve the quality of life of the communities we serve through long term value creation for all stakeholders."

In line with the requirements of section 135 of the Companies Act, 2013 the Company has framed CSR Policy, duly approved by the Board. The Policy highlights the key areas of focus for the Company's CSR activities. Within this framework the Company has undertaken its CSR activities in the area of promoting education, including special education to children of Tribal areas, Eradication of poverty and rural development.

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee shall consist of the following members:

| Name of the Director | Position held in the Committee | Category of the Director |
|-------------------------------|--------------------------------|--|
| Shri. Nandkishore Sarda | Chairman | Chairman and Managing Director (Executive Director) |
| Shri. Rajendra Prasad Mohanka | Member | Non-Executive Independent Director |
| Shri. Ramesh Mantri | Member | Non-Executive Independent Director |

3. Average Net Profit of the Company for the last three financial years : Rs. 1,91,40,699/-

4. Prescribed CSR expenditure (2% of the amount mentioned in item 3 above) : Rs. 3,82,814/-

5. Details of CSR Spent during the financial year :

a) Total amount to be spent for the financial year: Rs. 3,82,814/-

b) Amount unspent, if any; Rs. 1,90,714/-

c) Manner in which the amount spent during the financial year is detailed below :

| Sr. No. | CSR project or activity identified | Sector in which the project is covered (Cl. No. of Schedule VII to the Companies Act, 2013) | Projects or progress 1) Local area or other 2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) Project or program wise (in Rs.) | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Over-heads : (in Rs.) | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
|---------|---|---|---|---|--|---|--|
| 1 | Contribution towards Retina Care Centre | Healthcare and Hygiene | Rajnandgaon, Chhattisgarh | 1,00,000/- | 1,00,000/- | 1,00,000/- | Through Udayanchal Samajik Sewa sanghatan |



| | | | | | | | |
|---|---|------------------------|---------------------------------------|----------|----------|----------|---|
| 2 | Contribution towards environment stability and ecological balance through Maintenance of Plants | Environment | Nagpur | 36,000/- | 36,000/- | 36,000/- | Through Nagpur Zilla Maheshwari Sabha |
| 3 | Contribution for providing education through sponsorship | Education | Nagpur | 5,000/- | 5,000/- | 5,000/- | Through Vighnyan Bharati Vidharbha Pradesh Mandal |
| 4 | Contribution for providing education | Education | Domhai, District Satna Madhya Pradesh | 1,100/- | 1,100/- | 1,100/- | Pandey Shiksha Samiti, Domhai Chitrakoot Kshetra |
| 5 | Contribution for mobile Ambulance | Healthcare and Hygiene | Nagpur | 50,000/- | 50,000/- | 50,000/- | Direct Sewa Bharati |

6. In case Company has failed to spend the two percent of the average net profit for the last three financial years or any part thereof, the reasons for not spending the amount.

The Company has spent 50.18% of the prescribed amount to be spent on CSR activities in the reporting period. As a responsible corporate citizen, we are committed to our duty towards the society. Since it is the first year of applicability of the provisions of Corporate Social Responsibility, We did not have suitable avenues for CSR expenditure in line with our object of CSR Policy. We are currently in the process of evaluating new avenues for CSR expenditures. In the years to come, we will endeavor to meet the targeted CSR Spends.

7. Responsibility Statement of CSR Committee:

The implementation and monitoring of Corporate Social Responsibility Policy, is in Compliance with CSR Objectives and Policy of the Company.

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda
Chairman, CSR Committee
Chairman & Managing Director
DIN: 00229911
Address: Plot No.32,
Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010



Annexure 5 to Board's Report

(A) CONSERVATION OF ENERGY:

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

(B) TECHNOLOGY ABSORPTION :

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

The below-mentioned benefits are derived.

- Reduction in cost of the process
- Product improvements
- Improvement in on stream line
- Improvement in reaction efficiency
- Conservation of base material
- Environment protection and effluent quality improvement

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- a. The details of technology imported
- b. The year of import
- c. Whether the technology been fully absorbed
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

No technology imported during last three years.

The expenditure incurred on Research and Development.

- a. Capital
- b. Recurring
- c. Total
- d. Total R & D expenditure as a percentage of total turnover

The development work is carried out by the concerned departments on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. The company has not affected any import or export during the year ended 31.03.2019.
2. The inflow of foreign exchange is Nil.
3. The outflow of foreign exchange is Nil.



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

| | March 2019 | March 2018 |
|---|-------------|-------------|
| D. Power and Fuel Consumption | | |
| 1. Electricity: | | |
| a) Purchased : Units (No.) | 31,20,420 | 22,77,560 |
| Total Amount (Rs.) | 2,58,57,096 | 1,66,39,067 |
| Average Rate/ Unit (Rs.) | 8.29 | 7.31 |
| b) Own Generation | Nil | Nil |
| 2. Steam Coal | | |
| Quantity (Tonnes) | 4,517 | 4,410 |
| Total Cost (Rs.) | 3,02,68,012 | 2,93,16,214 |
| Average Rate/ Tonne (Rs.) | 6,701 | 6,648 |
| 3. Furnace Oil: | | |
| Quantity (K. Ltrs.) | Nil | Nil |
| Total Amount (Rs.) | Nil | Nil |
| Average Rate/ K. Ltrs (Rs.) | Nil | Nil |
| 4. Other / Internal Generation | | |
| Products (with details) Unit | Nil | Nil |
| Roller Iron & Steel (in MT) | 33,658 | 24,999 |
| Electricity (in Units) | 92.71 | 91.10 |
| Furnace Oil (Secondary Fuel) (in Ltrs.) | Nil | Nil |
| Coal (Steam Coal 'B' Grade) (in MT) | 0.134 | 0.176 |
| Excluding Shell & Dust | | |
| Other (Specify) | Nil | Nil |

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010



Annexure 6 to Board's Report

The information required under Section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The percentage increase or decrease in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2018-19, the ratio of the remuneration of each director to the median remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for Financial Year 2018-19 (Amount in Rs.) | % increase/ (decrease) in Remuneration in the Financial Year 2018-19 | Ratio of remuneration of each Director/to median remuneration of employees (times) | Comparison of the remuneration of the KMP against the performance of the Company |
|---------|---|--|--|--|--|
| 1. | Shri. Nandkishore Sarda (Chairman & Managing Director) | 36,00,000 | No Change | 11.89 | Profit before tax increased by 49.05% and profit after tax increased by 64.65% in financial year 2018-19. There was a change in remuneration of KMP and its increase by 3.50%. |
| 2. | Smt. Poonam Sarda (Whole-time Director & Chief Financial Officer) | 30,00,000 | No Change | 9.91 | |
| 3. | Shri. Amit B. Mundada (Company Secretary & Compliance Officer) | 4,81,507 | 3.50 | - | |

2. The median remuneration of employees of the Company during the financial year 2018-19 was Rs. 3,02,717/- per annum.
3. In the financial year 2018-19, there was no increase in the median remuneration of employees.
4. There were 38 permanent employees on the rolls of the Company as on March 31, 2019.
5. The Relationship between average increase in remuneration and Company performance: There was no increase in the remuneration of the directors but an increase of 3.50% in the remuneration of Company Secretary & Compliance officer during the financial year 2018-19. During the year under review, there was no increase in the median remuneration of the employees. The remuneration increase of the employees is in line with the market trend in the industry. In view of the fact the average percentage increase made in the salaries of the employees other than managerial personnel in the last financial year is not comparable with managerial remuneration.
6. Comparison of the remuneration of the key managerial personnel against the performance of the company:
Profit before tax increased by 49.05% and profit after tax increased by 64.65% in financial year 2018-19. There was a change in remuneration of KMP and is increased by 3.50%.
7. a) Variations in the market capitalization of the Company: The market capitalization as on 31.03.2019 was Rs. 3,452.22 Lacs (Rs. 4739.19 Lacs as on 31.03.2018).



- b) The Price Earnings ratio of the Company was 5.10 as at 31.03.2019 and was 11.52 as at 31.03.2018.
- c) Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:
The Company came out with a public offer in 1995. An amount of Rs. 20/- in the said last public offer would be worth Rs. 68/- as on 31.03.2019 indicating an increase of 240%.
8. There was an increase of 0.71% in the salaries of the employees other than the managerial personnel in the last financial year 2018-19 and no change in managerial remuneration during the same financial year.
9. Since there has been no variation in components of the remuneration of the directors and KMP the information, i.e. the key parameters for any variable component of remuneration, under this clause is not relevant.
10. The ratio of the remuneration of the highest paid director to that of the employee who are not directors, but receive remuneration in excess of the highest paid director during the financial year 2018-19: Not Applicable.
11. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.

Date:13.08.2019

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No.32,
Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2019

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

To,

The Members
Sharda Ispat Limited,
(CIN: L74210MH1960PLC011830)
Kamptee Road, Nagpur-440026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sharda Ispat Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the "**Sharda Ispat Limited**" books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sharda Ispat Limited** ("**The Company**") for the financial year ended on 31st March, 2019 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);



- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable to the Company as per their presentations made by the Company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the Company has not paid listing fee to Calcutta Stock Exchange and the Status of the Company as can be viewed on the website of Calcutta Stock Exchange is Suspended.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the major part of the year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All Decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sunil Kumar Sharma & Associates

Company Secretaries

Sunil Kumar Sharma

(Proprietor)

Mem. No. FCS 10043, CP No. 12708

Date : 13/08/2019

Place : Nagpur

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

'Annexure A'

To,
The Members,
Sharda Ispat Limited,
CIN : L74210MH1960PLC011830
Kamptee Road, Nagpur - 440026.

My Secretarial Audit report of even date is to be read along with this letter.

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

For, Sunil Kumar Sharma & Associates

Company Secretaries

Sunil Kumar Sharma

(Proprietor)

Mem. No. FCS 10043, C.P. No. 12708

Place: Nagpur

Date: 13/08/2019

**SHARDA ISPAT LIMITED**

Regd. Office: Kamptee Road, Nagpur 440 026

CIN : L74210MH1960PLC011830

Email : shardaispat.ngp@gmail.com, Website : www.shardaispat.com**ATTENDANCE SLIP**

I hereby record my presence at the 58th Annual General Meeting held at the corporate office of the company at 'DA-ROCK', Plot No. 230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur - 440010. Maharashtra on Friday, 27th September, 2019 at 10.30 A.M. (IST)

| | |
|---|--|
| 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 : L74210MH1960PLC011830

Name of the company: SHARDA ISPAT LIMITED

Registered office: Kamptee Road, Nagpur 440026, 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 58th Annual general meeting of the company, to be held on the 27th day of September, 2019 At 10.30 a.m.(IST) at the corporate office of the company at 'DA-ROCK', Plot No. 230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur 440010 Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 Adoption of Financial statement for the Financial year ended March 31, 2019 along with the reports of the Board of Directors & Auditors thereon.
- 2 Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director.
- 3 Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2020.
- 4 Re-appointment of Shri. Harish Dass as an Independent Director.
- 5 Re-appointment of Shri. Rajendra Prasad Mohanka as an Independent Director.
- 6 Re-appointment of Shri. Ramesh Mantri as an Independent Director.
- 7 Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.
- 8 Approval of Related Party Transaction under Section 188 of the Companies Act, 2013.

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 440026 Maharashtra

BALLOT PAPER

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

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

| Sr. No. | Item No. | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
|---------|--|--------------------------|----------------------------|-------------------------------|
| 1. | Adoption of Financial statement for the Financial year ended March 31, 2019 along with the reports of the Board of Directors & Auditors thereon. | | | |
| 2. | Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director. | | | |
| 3. | Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2020. | | | |
| 4 | Re-appointment of Shri. Harish Dass as an Independent Director. | | | |
| 5 | Re-appointment of Shri. Rajendra Prasad Mohanka as an Independent Director. | | | |
| 6 | Re-appointment of Shri. Ramesh Mantri as an Independent Director. | | | |
| 7 | Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013. | | | |
| 8 | Approval of Related Party Transaction under Section 188 of the Companies Act, 2013. | | | |

Place :

Date :

(Signature of the shareholder)

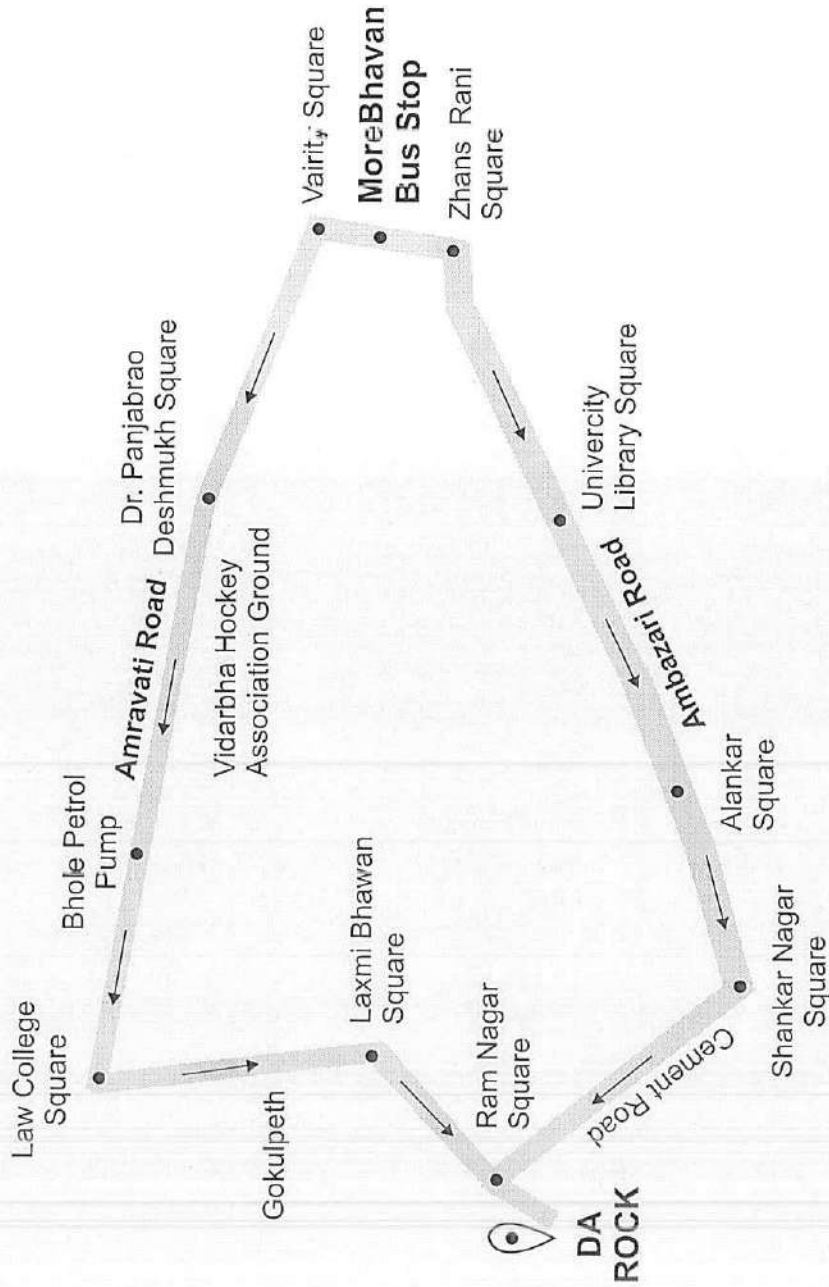
(Signature of First Proxy)

(Signature of Second Proxy)

(Signature of Third Proxy)



Route Map for the Venue of Annual General Meeting



BOOK-POST
(PRINTED MATERIAL)

To,

If undelivered please return to :



Sharda Ispat Limited

Kamptee Road, Nagpur - 440026

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

Fax : (0712) 2641171