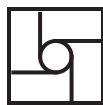


59th
Annual
REPORT

2019-2020



SHARDA ISPAT LIMITED
NAGPUR

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BOARD OF DIRECTORS

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

Company Secretary &
Compliance Officer : SHRI. AMIT B. MUNDADA

Secretarial Auditors : M/s. SUNIL KUMAR SHARMA & ASSOCIATES
Practicing Company Secretaries
2nd Floor, Samarth Building, Sona Restaurant
Square, C A Road, Gandhibagh, Nagpur - 440002.

Statutory Auditor : M/s. PANPALIYA TAORI & CO
Chartered Accountants,
11, 2nd Floor, Bajaj Wing, NMC Mangalwari
Complex, Sadar, Nagpur – 440001

Internal Auditor : M/s. LNJ & ASSOCIATES
Chartered Accountants,
Sadar, 2nd Floor, Shreeji Apartment,
Tikekar Road, Dhantoli, Nagpur-440015

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
Correspondence to
Share Department** : M/s. Adroit Corporate Services Pvt. Ltd.
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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 59th Annual General Meeting of the Members of Sharda Ispat Limited will be held on Friday, the 11th day of December, 2020 at 11.00 a.m. (I.S.T), at the corporate office of the Company at Da-rock, Plot no. 230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur-440010, to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020, the reports of the Board of Directors and Auditors thereon.

2. Re-appointment of a Director

To appoint a Director in place of Smt. Poonam Sarda (DIN 00190512), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

3. Appointment of Statutory Auditors to fill the casual vacancy:

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

“RESOLVED THAT pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and upon recommendation of the Audit Committee & Board of Directors, M/s. Panpaliya Taori & Co., Chartered Accountants, Nagpur, having FRN.: 125508W, be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur, having FRN.: 004733C.

RESOLVED FURTHER THAT M/s. Panpaliya Taori & Co., Chartered Accountants, Nagpur, having FRN.: 125508W, be and are hereby appointed as Statutory Auditors of the Company to hold the office from 12th September, 2020, until the conclusion of the ensuing 59th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors.”

4. Appointment of Statutory Auditors For a period of five years:

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint M/s. Panpaliya Taori & Co., Chartered Accountants, Nagpur, having FRN.: 125508W, as the Statutory Auditors of the Company to conduct the statutory audit for a period of five years commencing from the conclusion of this 59th Annual General Meeting till the conclusion of 64th Annual General Meeting of the Company to be held in the calendar year 2025 at such remuneration and out-of-pocket expenses, as may be mutually agreed with the Board of Directors.”

SPECIAL BUSINESS

5. 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 all 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 Cost Auditors appointed by the Board of Directors 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, 2021 be paid a remuneration as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting.

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.”

6. Approval of Related Party Transactions

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 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, approval of shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Sharda Auto Industries Limited, a related party within the meaning of Section 2(76) of the Act, for sale of

finished goods, other store materials, consumable items and waste and scraps at Arms Length Basis., on such terms and conditions as the Board of Directors may deem fit, shall not exceed of Rs.100 Crore at any time on continuous basis, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

7. To approve the revision in the remuneration of Shri. Nandkishore Sarda, Chairman and Managing Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including rules, notifications, any statutory modification, amendment, re-enactment thereof for the time being in force as may be enacted from time to time) read with Schedule V of the said Act, as amended from time to time and subject to the provisions of the Articles of Association of the Company, and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in the remuneration of Shri. Nandkishore Sarda (DIN:00229911) Chairman and Managing Director from Rs.3,00,000/- per month to Rs. 5,00,000/- per month with effect from 01st April, 2020.

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

8. To approve the revision in the remuneration of Smt. Poonam Sarda, Whole-time Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including rules, notifications, any statutory modification, amendment, re-enactment thereof for the time being in force as may be enacted from time to time) read with Schedule V of the said Act, as amended

from time to time and subject to the provisions of the Articles of Association of the Company and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company, approval of the members be and is hereby accorded to the revision in the remuneration of Smt. Poonam Sarda (DIN:00190512) Whole-time Director of the Company from Rs.2,50,000/- per month to Rs. 4,00,000/- per month with effect from 01st April, 2020.

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

**By order of the Board of Directors
For Sharda Ispat Limited**

**Date: 13.11.2020
Place: Nagpur**

**Sd/-
(Amit B. Mundada)
Company Secretary**

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).

- b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail (cssunsharma7@gmail.com) to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will 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

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

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 set 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 November, 2020.

Item No. 3 and 4

The members of the Company at the 56th Annual General Meeting held on 25th September, 2017 has approved the appointment of M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur, having FRN.: 004733C as the Statutory Auditors of the Company for a term of five years till the conclusion of the 61st Annual General Meeting.

M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur has tendered their resignation as the Statutory Auditors of the Company, expressing their inability due to preoccupation in other assignments, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. 14th August, 2020.

As per section 139(8) of the Companies, Act, 2013, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and conformation received from M/s. Panpaliya Taori & Co., Chartered Accountants, Nagpur, having FRN.: 125508W on their eligibility, the Board recommends to the members for the appointment of M/s. Panpaliya Taori & Co., Chartered Accountants, Nagpur, as the Statutory Auditors of the Company:

a) to fill the casual vacancy caused by the resignation of M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting and

b) for a period of five years, from the conclusion of the 59th Annual General Meeting till the conclusion of 64th Annual General Meeting of the Company to be held in the year 2025.

In regards to the appointment of Statutory Auditors referred to in item no. 3 of the Notice, the brief profile of the Auditors is as under: M/s. Panpaliya Taori & Co., Chartered Accountants, having its offices at Nagpur and Wardha with 16 years of experience.

The proposed fee payable to the Statutory Auditors is Rs.2,50,000/- (Rupees two lakh fifty thousand only) for the financial year 2020-21 plus applicable taxes and out of pocket expenses, as may be incurred, in connection with the statutory audit of financial statements of the Company.

The fees payable for statutory audit per financial year to the Auditors for the financial year 2021-22 and onwards till the remainder of their tenure, will be mutually determined by the Board of Directors of the Company in consultation with the Auditors.

Material change in the fee payable to the auditor from that paid to the outgoing auditor: No such material changes.

Rationale for such change in remuneration: Not applicable.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Directors recommend the resolution for approval by the members.

Item No.5

The Board, on the recommendation of the Audit Committee, has in its meeting held on 31st July, 2020, approved the appointment of M/s. Narendra Peshne and Associates, Cost and Management Accountants, Nagpur as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 at a remuneration of Rs.30,000/- (Rupee Thirty thousand only) .

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors/ Key Managerial Personnel of the Company and /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No.6

Section 188 of the Companies Act, 2013 read along with rules 15 and 16 of the Companies (Meetings of Board and its Powers) Rules 2014 provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

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

1. Name of the Related Party: Sharda Auto Industries Limited.
2. Relationship: Two directors are common in both the Companies.
3. Maximum Value of transactions.: Rs.100 Crore at any time on continuous basis.
4. Nature of Transactions: Sale of goods and other store materials and consumable items and waste and scraps to M/s. Sharda Auto Industries Limited at Arms Length Basis.

The above transactions were approved by the Audit Committee at its meeting held on 13.11.2020 and recommended by the Board of Directors to the shareholders of the Company for their approval.

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

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

The Board of Directors recommends passing of the resolution as set out at item no.5 of this Notice as an Ordinary Resolution.

Item No. 7

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the 56th Annual General Meeting of the company held on 25th September, 2017, re-appointed Shri. Nandkishore Sarda (DIN: 00229911) designated as Chairman & Managing Director for a further period of 5 (five) years i.e from 1st April, 2017 to 31st March, 2022. The Nomination & Remuneration Committee of the Board of Directors held on 03rd February, 2020 recommended and the Board of Directors at its meeting held on 14th February, 2020 approved, subject to approval of members for revision in the remuneration of Shri. Nanadkishore Sarda (DIN: 00229911) Chairman & Managing Director of the company with effect from 1st April, 2020 for remaining duration of re-appointment up to two years from the effective date, i.e (1st April, 2020 – 31st March, 2022) provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 197 and Schedule V to the Companies Act, 2013.

Looking to the dedication and active participation of Shri. Nandkishore Sarda, Chairman & Managing Director of the Company in every aspect of the overall functioning of the Company such as operational, financial, accounting, taxation, legal, statutory obligations, stakeholders, etc. Shri. Nandkishore Sarda has rich and varied experience in the industry. It would be in the interest of the Company to continue to avail of his considerable expertise

and to revise the remuneration of Shri. Nandkishore Sarda as a Chairman & Managing Director. He is responsible for Framework for Operational Planning and Increasing Organizational Effectiveness. He is responsible for setting the ultimate direction for the corporation, For reviewing, understanding, assessing, and approving specific strategic directions and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the company's long-term performance. He is responsible for the smooth and profitable operation of a company's affairs. He supervises and provides consultation to management on strategic planning decisions & sustainability. He is also responsible to perform such other duties as may from time to time be entrusted by the board.

Since during the remaining tenure, Shri. Nandkishore Sarda has attained the age of seventy years, necessary Special Resolution, as required under the provisions of the Companies Act for revision in remuneration to the Chairman & Managing Director is set out herein.

The Board commends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Except Shri. Nandkishore Sarda and Smt. Poonam Sarda and their relatives, no other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item No.6 of the Notice.

Item No. 8

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the 56th Annual General Meeting of the company held on 25th September, 2017, re-appointed Smt. Poonam Sarda (DIN: 00190512) designated as Whole-time Director for a further period of 5 (five) years, i.e from 1st April, 2017 to 31st March, 2022. The Nomination & Remuneration Committee of the Board of Directors held on 03rd February, 2020 recommended and the Board of Directors at its meeting held on 14th February, 2020 approved, subject to approval of members the revision in remuneration of Smt. Poonam Sarda (DIN: 00190512) Whole-time Director of the company with effect from 1st April, 2020 for remaining duration of re-appointment up to two years from the effective date, i.e (1st April, 2020 – 31st March, 2022) provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 197 and Schedule V to the Companies Act, 2013.

In view of increased scope of the business of the Company Shri. Nandkishore Sarda, Chairman and Managing Director of the Company needs to be assisted through sharing his duties and responsibilities on a full time basis for the effective management of the Company. Looking to the dedication and active participation of Smt. Poonam Sarda, Whole-time Director of the Company in every aspect of the overall functioning of the Company such as operational, financial, accounting, taxation, legal, statutory obligations, stakeholders, etc.

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

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 Ordinary Resolution set out at item No. 7 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
Date of Birth	04/02/1972
Expertise in specific functional areas	Company Whole-time Director and Chief Financial officer with business experience
Qualifications	LL.B and C.A. Final (appeared)
Directorships held in other listed entities	None
Membership/ Chairmanship of Committees of other listed entities	None
Shareholding in the Company	1,28,060

**By order of the Board of Directors
For Sharda Ispat Limited**

**Date: 13.11.2020
Place: Nagpur**

**Sd/-
(Amit B. Mundada)
Company Secretary**

Board's Report

Dear Members,

The Board of Directors takes pleasure in presenting the Fifty-ninth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2020.

1. FINANCIAL RESULTS: (STANDALONE)

The Company's financial performance for the year ended 31st March, 2020 is summarised below.

(Amount in Rs.)

Particulars	2019-20	2018-19
Gross Income	93,75,26,741	1,15,50,59,724
Profit Before Interest and Depreciation	6,48,95,395	10,28,84,502
Less: Finance Charges	88,19,656	74,44,289
Gross Profit	5,60,75,739	9,54,40,213
Less: Provision for Depreciation	80,05,511	26,70,935
Profit before Exceptional Item and Tax	4,80,70,228	9,27,69,278
Net Profit Before Tax	4,80,70,228	9,27,69,278
Less: Provision for Tax		
a. Current Tax	(1,23,86,120)	(2,63,29,000)
b. Income Tax (earlier years)	(2,72,387)	(1,24,405)
c. Deferred Tax	5,03,355	14,16,226
Net Profit After Tax	3,59,15,076	6,77,32,099
Balance of Profit / (Loss) Brought Forward	10,88,24,078	40,436,031
Other Comprehensive Income	5,20,138	6,55,948
Surplus Carried to Balance Sheet	14,52,59,292	10,88,24,078

2. STATE OF COMPANY'S AFFAIRS:

Discussion on the state of the 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 Company's working capital requirements 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.14,52,59,291/- to 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, 2020. 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 TILL THE DATE OF THIS REPORT:

In terms of Section 134 (3) (l) of the Companies Act, 2013, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

8. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure-2 hereto and forms a part of this report. The same is also available on the Company's website at the link given below: <http://shardaispat.com/investor/annualreturn>.

9. MEETINGS OF THE BOARD OF DIRECTORS:

5 Board Meetings were held during the financial year 2019-20.

Sr.No.	Date of Meeting	Board Strength	No. of Directors presents
1.	30.05.2019	5	4
2.	13.08.2019	5	5

3.	14.11.2019	5	5
*4.	14.02.2020	5	3 (Only Non-Executive & Independent Directors)
5.	14.02.2020	5	5

(Note: -*This meeting was 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, the Board of Directors hereby states and confirms 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 on March 31, 2020 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). 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 the 56th Annual General Meeting of the Company held on September 25th, 2017, M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur (Firm Registration Number 004733C), were appointed as Statutory Auditors of the Company for a term of five (5) consecutive years to hold office from the conclusion of 56th Annual General Meeting until the conclusion of the 61st Annual General Meeting of the Company.

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, 2020, 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)

No fraud has been reported by the Auditor under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Statutory Auditor of the Company have tendered their resignation on 14th August, 2020 due to their pre-occupation in other assignments. The Company has duly reported the resignation of the statutory Auditors to both the Stock Exchanges i.e. to the BSE Ltd. and The Calcutta Stock Exchange Association Limited.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint a new Statutory Auditor in place of resigning auditor M/s. Subhash Chand Jain Anurag & Associates. It is further proposed to appoint M/s. Panpalia Taori & Co., Chartered Accountants, as a Statutory Auditor of the Company for the term of five years, i.e. from the conclusion of the upcoming Annual General Meeting to be held on 11 December 2020 till the conclusion of the Sixty-Fourth Annual General Meeting to be held in 2025.

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

The Directors recommend appointment of M/s. Panpalia Taori & Co., Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the upcoming Annual General Meeting to be held on 11 December, 2020 till the conclusion of the Sixty-Fourth Annual General Meeting to be held in 2025.

12. LOANS, GUARANTEES AND INVESTMENTS:

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

There are no guarantees or securities granted or any investments made 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. 6, 13 and 38 of the financial statements).

14. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

(Refer MD & A para Internal Control Systems and Their Adequacy for detail analysis.)

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 as Annexure-3. Related party disclosures as per Accounting Standard 18 have been provided in Note '38' 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 – 4.

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 upcoming 59th Annual General Meeting and being eligible, offers herself for re-appointment.

The Board of directors recommends her appointment for consideration of the shareholders at item no.2 of the Notice calling 59th Annual General Meeting.

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 59th Annual General Meeting.

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

None of the Directors of your Company are 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 and has been continued as Woman Director of the Company.

As of 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 31,2020.

1. Shri. Rajendra Prasad Mohanka
2. Shri. Harish Dass
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. The Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150 (1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

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 and that of its Committees, 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. Also, the Independent Directors, at their meeting held on 14th February, 2020 reviewed the performance of the Board, its Chairman and Executive Directors of the Company.

20.DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public in terms 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. Further, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

21.CORPORATE GOVERNANCE

Pursuant to Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as on the last date of the financial year i.e. 31st March, 2020, the Company's Paid-up Equity Share Capital was not exceeding Rupees ten crore and net worth was not exceeding Rupees twenty five crore. The Corporate governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) 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-5.

REMUNERATION POLICY:

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at the 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 roles 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 three directors. The table below 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

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE:

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

The Nomination & Remuneration Committee is responsible for:

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 ensure 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. Ensure Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Ensure 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. Perform any other work and policy, related and incidental to the objectives of the committee as per the 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 below 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)

The Stakeholders' Relationship Committee considers and resolves the grievances of share holders of the company and also reviews and monitors/approves share transfers/duplicate share issues/share transmissions/dematerialization process.

Company Secretary Shri. Amit B.Mundada is the Compliance Officer of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the requirement of the Companies Act, 2013, your Company is required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising three or more directors with at least one being independent director. Your Board has a Committee (CSR Committee) that oversees the execution of CSR Policy to ensure that the CSR objectives of the Company are met. The CSR Committee comprises 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
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The role of the Committee is to:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII of the Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred in the activities referred to in clause (a) above; and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

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. 6,51,100/- 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 6).

24. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s. Sunil Kumar Sharma and Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed to this Board Report. (Annexure-7)

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

The Company has stepped up and is in the process to expel the suspension from Calcutta Stock Exchange.

25. APPOINTMENT OF COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained. As per the provisions of Section 148 (2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records audited by a Cost Auditor. The Cost Audit Report of the Company for the Financial Year ended March 31, 2019 was filed by the Company in XBRL mode, on September 05, 2019.

Accordingly, as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 31st July, 2020, have re-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 2020-21 to conduct the audit of the cost records of the Company.

The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. Please refer to item no. 5 of the Notice.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Head HR or the Compliance Officer who reports to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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. 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 adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace. The Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. No complaint pertaining to sexual

harassment of women employees was received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

29. IMPACT OF COVID-19:

The outbreak of COVID-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade while severely impacting consumer spending power. Consequently, the global steel demand is expected to be sharply lower in 2020. The Government of India had imposed a stringent nationwide lockdown with effect from 25th March, 2020, which has severely impacted manufacturing activities. Though the continuous process Steel plants and Mining sectors were exempted from the strict lockdown measures, they could not be operated in the given environment and other restrictions.

We took steps for resuming manufacturing operations from 21st May, 2020 but full normalcy could return only in the second week of June, 2020. Due to respreads of the virus, localized lockdowns and other restrictions have been imposed which will have an impact on production and demand. The health and safety of our employees and the communities in which we operate continues to be the foremost priority of the Company. The Company is focused on running operations safely and efficiently to service our customers.

The operations have been aligned with the prevailing market conditions. Cross-functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that the plant could operate as planned. Increased steel production has helped in balancing demand-supply of steel and preventing sharp correction in prices. The Company is also focused on liquidity management to face any future disruption in business conditions. Funds were raised to manage liquidity considering the heightened uncertainty over the extent of impact on underlying demand conditions.

30. SHARES:

a. BUY BACK OF SHARES

During the year under review, the Company has not undertaken any buy- back of shares.

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

In the Financial Year 2019-20, the Company has not issued any sweat equity shares and hence 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 no information has been furnished.

c. BONUS SHARES

During the financial year 2019-20, the Company has not issued any Bonus Shares.

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

The Company has not issued any shares with differential rights and hence 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 no information has been furnished.

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

During the financial year under review, the Company has not issued any equity shares under the Employees Stock Option Scheme and hence 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 no information 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.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company's operations in future.

32. SHARES IN SUSPENSE ACCOUNT:

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

33. REPORTING OF FRAUDS:

During the financial year under review and as per Section 143 (12) of the Companies Act, 2013 (including amendments), the Auditor has reported no fraud to the Audit Committee or the Board of Directors and hence under Section 134 (3) (ca) of the Companies Act, 2013 the Board has nothing to report.

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

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

35. MANAGEMENT DISCUSSION AND ANALYSIS:

ECONOMY:

The Indian economy witnessed a slowdown during FY 2019-20 and the GDP is estimated at 4.2% as compared to 6.1% in FY 2018-19. (Source: Press note by National Statistical Office dated May 29, 2020). The sluggish growth is due to both endogenous and exogenous factors, key indicator being lack of credit growth and demand in the market, leading to low growth in final consumption expenditure, decline in gross fixed capital formation and export earnings. Major global contributing factors are the Sino-American trade conflict, Brexit, geopolitical tensions and deceleration in developed economies. Another reason for this sluggish growth is due to poor showing by manufacturing and construction sectors. According to World Bank, India's GDP growth in FY 2020-21 is projected to contract sharply by negative 3.2%, which is likely to be the lowest in many decades as the impact of COVID-19 pandemic materializes. Stringent measures to restrict the spread of the virus, which heavily curtails activity, will contribute to the contraction of economic growth. The COVID-19 pandemic imposed fresh challenges to the economy in the fourth quarter of FY 2019-20. Steps taken to contain its spread such as complete lockdown of the country brought economic activities to a standstill and impacted consumption and investment.

The automobile industry was hit hard in FY 2019-20 as sales fell across vehicle segments. According to data released by SIAM, in FY 2019-20, the Indian automotive industry recorded a 20.3% decline in domestic sales as compared to a 5.9% growth in FY 2018-19. The Commercial Vehicle industry in India registered a 30.0% decline in FY 2019-20 as compared to 17.1% growth in FY 2018-19, as a result of a sharp slowdown in the economy, subdued demand and higher capacity arising from the new axle load norms and the transition to BSVI. The COVID-19 pandemic has cast a long shadow over a much anticipated mild recovery in the automobile industry in FY 2020-21 post BSVI migration. With the shutdown of all non-essential services accompanied by liquidity and cash crunch, the demand for Commercial Vehicles is expected to be severely impacted in the first half of FY 2020-21 and gradually improve thereafter as the GDP growth is anticipated to pick up on the back of rural recovery, normal monsoon, overall interventions from Government of India and RBI and gradual easing of lockdowns.

To improve the economic situation, government took measures to revamp the financial sector by increasing credit outflows by the banks and Non-Banking Financial Companies (NBFC)s, reducing stress in real estate sector, liberalising foreign direct investment norms, a significant cut in the corporate tax rate, easing tax rules for foreign portfolio

investors and start-ups and speeding up resolution process under Insolvency and Bankruptcy Code, 2016. The initial efforts to provide adequate system level liquidity are reflected in the sizable net absorptions under reverse repo operations. Several other measures taken including relaxation of CRR norms, rate cuts, granting moratorium for loans, enhancing working capital financing to assist sectors and entities which are facing liquidity constraints. The government has come up with targeted measures to ease the economic pain in various sectors and announced an overall economic revival package of 20 lakh crores.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Global crude steel production in 2019 saw a growth of 3.4% over 2018 to reach 1,869.69 MnT. This increase was primarily due to the growth in steel consumption in infrastructure, manufacturing and equipment sectors. The automotive production trended down across most countries over the second half of 2019 which had an impact on the steel demand towards the end of the year. China continued to be the world's largest steel producer with increase in production by 8.3% to reach 996 MnT. China contributed 53% of the global crude steel production in 2019. While steel demand remained relatively strong, the country faced significant downside risks due to broader global uncertainty and tighter environmental regulations. In the United States, crude steel production went up to 88 months, recording an increase of 1.5% over 2018, owing to lower global automotive production and prevailing trade tensions. In Europe, crude steel production slumped to 159 MnT in 2019, recording a decrease of 4.9% over 2018. The decrease was on account of challenges faced with oversupply and trade tensions.

In 2019, India became the second largest crude steel producing country in the world, with a crude steel production of 111 MnT, an increase of 1.8% over the previous year. However, the growth rate was much lower compared to the previous year. Growth in the construction sector weakened due to falling investments in fixed asset formation. The sharp fall in private consumption led to weaker growth in automotive and consumer durables. The tighter liquidity conditions due to defaults in NBFC sector impacted credit availability. The automotive sector was also impacted by factors such as regulatory changes, rise in ownership cost and shared economy while, the capital goods sector continued to remain weak due to the decreasing output and stagnant investment in the manufacturing sector.

OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

With the Global economies opening up gradually, India also needs to get back to its full capacity at the earliest to be the successful economy that it aims to be. The pandemic presents a unique opportunity for India and its industries to increase influence in the global supply chain. With a likely realignment of global supply chains, India has the skill, resources and expertise to emerge as a location of choice. The 20 trillion fiscal and monetary stimulus package for making India self-reliant is a step in the right direction.

The increased focus on strengthening the micro, small and medium enterprises (MSMEs), considered to be the backbone of the economy, assumes paramount importance. The Metals and Mining sector in India is expected to witness a major reform in the next few years, because of such reforms as Atmanirbhar Bharat, Make in India Campaign, Smart Cities, Rural Electrification and a focus on building renewable energy projects under the National Electricity Policy as well as the rise in infrastructure development. Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Nagpur offers scope for seamless value addition in its manufacturing process from hot metal to stainless steel.

THREATS:

The outbreak of COVID-19 pandemic globally and in India is causing a significant disruption and slowdown of economic activity. The lockdowns and the various restrictive measures taken to curb the spread of COVID-19 have adversely affected both the demand and supply leading to a slowdown in the economy. As a result, the IMF expects the global economy to contract sharply by 3% in 2020, in a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound.

Apart from the disruptions caused/to be caused by the COVID-19 pandemic in the near future, we do not foresee any major threat to the industry segments in which the Company operates. We have taken a number of initiatives across the organization to improve quality and reduce costs, which will aid in preserving and enhancing our margins. As we march forward with the hope of stepping into a better world post COVID-19, with the available infrastructure and strong team, the Company is all set to make its contribution in the growth of the nation.

SEGMENTWISE OR PRODUCT-WISE PERFORMANCE:

The Company operates in only one segment, i.e. iron & steel. During the financial year 2019-20, the Company achieved production of Steel product as under:

Own Unit – 18,699.185 MT (Previous Year 19,128.237 MT)
Sales (Rs.) –9,286.87 Lacs (Previous Year 10,582.38 Lacs)
Conversion Service –53.495 MT (Previous Year 14,529.328 MT)
Sales (Rs.) – 4.34 Lacs (Previous Year 834.25 Lacs)

OUTLOOK FOR STEEL INDUSTRY:

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, the outlook for the steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak and the effectiveness of the stimulus announced by the Governments of various nations.

After slower than expected growth in 2019, steel demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association ('WSA'), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker, though supply chain disruptions are likely to continue.

Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilisation in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. Further, the demand from automobile, white goods and capital goods sectors is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.

RISK & CONCERNS:

The Company operates in an increasingly complex, volatile and uncertain business environment with stringent regulatory and environmental requirements. The Company aspires to create long term value for its stakeholders by embedding risk intelligence and building resilience within the organisation. The Company has implemented an Enterprise Risk Management ('ERM') framework to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making. The ERM framework includes identification of risks and risk owners for regular tracking, mitigation and reporting of risks to help the Company meet its business objectives. The Company through the ERM framework has identified key risks under various categories such as financial risks, macroeconomic and market risks, operational risks, safety risks, commodity risks, supply chain risks, information security risks, regulatory risks, climate change risks and community risks. The Company has also mapped the severity of these risks and the likely impact on the Company and has developed mitigation strategies to eliminate or minimise the impact of the risks.

The COVID-19 outbreak is an unprecedented event and has certainly posed challenges for the Company. The risk intelligent culture embedded across the Company has helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. Operations were aligned with the prevailing market conditions by reducing upstream operations while curtailing downstream operations. Cross functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that the plant could operate as planned. The Company also focused on cash and liquidity management to face any future disruption in business conditions.

Alongside identification of risks, the Company has a continuous process of monitoring and leveraging opportunities presented by the external and internal environment. Despite the immediate challenges posed by the COVID-19 pandemic, the Company will continue to leverage opportunities provided by the near-term and long-term macro and business environment. The Company has identified various opportunities for growth and improvement and has developed strategies to leverage these opportunities. For mitigating the risk of statutory compliances, the Company has the procedure in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors in the Board meetings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has in place an adequate system of internal control commensurate with its size and nature of business. The system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Your Company has a business planning system to set targets and parameters for operations, which are reviewed with actual performance to ensure timely initiation of corrective action, if required. Your Company has availed the services of independent professional firms for Internal Audit, which checks the effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of your Company's risk management, control and governance processes.

The Audit Committee seeks the views/opinions of statutory auditors on the adequacy of the internal control systems in your Company. The scope and authority of the Internal Audit activity are approved by the Audit Committee. Internal Auditor reports directly to the Audit Committee or Board. The Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. Minutes of the Audit Committee are put up to the Board of Directors. The Company's Audit Committee review adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of your Company and recommends the same to the Board for its approval.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the fiscal year 2019-20, the Company achieved the sales turnover of Rs. 9,291.21Lacs (Own Unit Rs.9286.87Lacs (18,699.185 MT) and Conversion / Service Rs.4.34 Lacs (53.495MT) as against 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)) during the previous year. After providing depreciation of Rs. 80.06 Lacs and Rs. 88.197 Lacs towards interest and further adjusting Rs. 121.55 Lacs for taxation (net), the Company posted a net profit after tax of Rs. 359.15 Lacs as against Rs. 677.32 Lacs during the last year. During the year, the operational performance of the Company has decreased due to slackened demand in the market. Since the Company has witnessed a contraction in the amount of manufacturing work and job work, due to steep decline of 50% in the total activity in steel-end use sectors, especially the automobile sector. Due to higher market volatility in the steel sector, the timely availability of raw material was affected. However, in FY20, as demand deteriorated sharply on the back of an abruptly slowing economy coupled with the spread of COVID-19.

KEY FINANCIAL RATIOS:

The details of changes in the key financial ratios as compared to previous years are stated below:

Ratios	2019-2020	2018-2019	Change (%)	Reason
Debtors Turnover	10.23	11.66	(12.25)	
Inventory Turnover	13.06	15.01	(12.99)	
Interest Coverage Ratio	6.45	13.46	(52.08)	The Company's turnover has decreased by 18.62%, which result in reduction of profit.
Current Ratio	3.09	2.14	44.71	The Current Ratio is improved from 2.14 to 3.09, due to decrease in the cash credit limit.
Debt Equity Ratio	0.27	0.42	(35.66)	The Debt Equity Ratio is improved from 0.42 to 0.27, due to decrease in the cash credit limit.
Operating Profit Margin	0.15	0.16	(5.18)	
Net Profit Margin	0.04	0.06	(34.67)	The Company's turnover has decreased by 18.62%. Hence there is a reduction in the Net Profit Margin and Return on Net worth ratio.
Return on Net worth	0.16	0.36	(55.53)	

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

The Company recognises the importance of human resources in realising its growth ambitions and believes in nurturing talent within the organisation to take up leadership positions. The Company increased its concentration more on the development of Human Resources than any other Resources. The Company took adequate steps for maintaining safety and healthy environment for the workers. Industrial relations continue to be cordial throughout the year. Your Directors place on record their sincere appreciation for the excellent teamwork displayed by the employees of the Company. During the year ended 31.03.2020, the total number of employees employed by the Company was 39 (Thirty Nine).

CAUTIONARY STATEMENT

The above Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, tax laws and other incidental factors.

36. ACKNOWLEDGEMENT:

During the year under review, your directors take this opportunity to express their sincere appreciation for the co-operation and assistance received from the Banks, Government Authorities, Customers, Vendors and Shareholders. The 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

Sd/-

Date: 13.11.2020

Place: Nagpur

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No. 32,

Cement Road, Shivaji Nagar,

Shankar Nagar, Nagpur-440010

INDEPENDENT AUDITOR'S 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, 2020, 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, 2020, 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 IND AS 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, 2020. 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
<p>Valuation of Inventories (as described in note 9 of the IND AS Financial statement)</p> <p>As at March 31, 2020, inventories constitute approximately 17.04% of total assets of the company.</p> <p>Inventories are valued at lower of cost or net realizable value.</p> <p>a) Identification, completeness and correctness of direct and indirect cost in valuation of inventory is a key audit matter.</p> <p>b) Calculation of net realizable value is also a key audit matter due to significant movement in price of raw-material and finished goods.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> - We evaluated the inventory valuation accounting policies. - We assessed the key assumption made by the management in valuing inventories. - We verified the cost of finished goods based on cost sheet prepared by the management in accordance with valuation principles prescribed under IND AS-2 "Inventory". - We have obtained from the management the market price of raw-material and finished good prevailing at year end. - We have checked whether the treatment of fixed overhead incurred during lockdown period was appropriate. - Further we have also verified the net realizable value of finished goods based on actual sales transaction incurred subsequent to reporting date and after the lock-down period

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 Balance Sheet, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in equity and Cash Flow Statement 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, 2020 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 2020 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 explanations 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, 2020. 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, 2020.

FOR Subhash Chand Jain Anurag & Associates

Firm Registration No.: 004733C

Chartered Accountants

CA Swastik Jain

Partner

Membership No.: 111580

Place: Nagpur

Date: 31st July 2020

UDIN- 20111580AAAAAB9226

“ANNEXURE A” TO THE 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) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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, goods and services 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 2020 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	19,63,762	Jt. Comm. of Central Excise, Nagpur
4	Central Excise Act	Excise Duty and Penalty	3,74,578	Dy Commissioner of Central Excise, Division I, Nagpur
5	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 of 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.

<p>Nagpur, dated the 31st July 2020</p>	<p>For Subhash Chand Jain Anurag & Associates Chartered Accountants Firms Reg. No. 004733C</p> <p>CA Swastik Jain Partner (M.No.111580)</p> <p>UDIN- 20111580AAAAAB9226</p>
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“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, 2020 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, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place: Nagpur
Date: 31/07/2020

CA Swastik Jain
Partner (M.No.111580)
UDIN- 20111580AAAAAB9226

SHARDA ISPAT LIMITED, NAGPUR. BALANCE SHEET AS AT 31st MARCH 2020			
PARTICULARS	NOTES	31st March, 2020	31st March, 2019
Assets			
1 Non-current assets			
(a) Property, plant and equipment	4	3,03,22,003	2,24,56,561
(b) Intangible assets	5	1,19,458	1,55,063
(c) Financial assets			
(i) Investments	6	32,62,600	32,62,600
(ii) Other financial assets	7	59,35,841	49,49,670
(d) Other non-current assets	8	56,248	4,590
Total Non-Current Assets		3,96,96,150	3,08,28,484
2 Current assets			
(a) Inventories	9	5,60,44,175	6,76,90,973
(b) Financial assets			
(i) Trade receivables	10	9,07,95,857	9,79,02,442
(ii) Cash and cash equivalents	11	1,16,478	1,36,10,539
(iii) Bank balances other than (ii) above	12	19,32,180	25,34,993
(iv) Loans	13	9,61,88,876	7,11,01,106
(v) Other financial assets	7	4,30,768	4,34,591
(c) Current tax assets (Net)	14	24,41,017	-
(d) Other current assets	15	4,12,29,298	5,54,20,883
Total Current Assets		28,91,78,649	30,86,95,527
TOTAL ASSETS		32,88,74,799	33,95,24,011
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	5,07,68,000	5,07,68,000
(b) Other equity	17	17,51,38,291	13,87,03,078
Total Equity		22,59,06,291	18,94,71,078
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	3,29,734	8,51,760
(ii) Other Financial Liabilities	19	47,43,070	-
(b) Provisions	20	32,99,212	31,58,604
(c) Deferred Tax Liabilities (Net)	21	10,87,275	15,90,630
Total Non-Current Liabilities		94,59,291	56,00,994
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5,97,18,034	9,08,70,676
(ii) Trade payables	22	1,48,17,936	2,73,04,051
(iii) Other financial liabilities	19	67,22,428	7,92,471
(b) Other current liabilities	23	97,78,120	1,72,25,410
(c) Provisions	20	24,72,699	19,27,148
(d) Current tax Liabilities (Net)	24	-	63,32,184
Total Current Liabilities		9,35,09,217	14,44,51,940
Total Liabilities		10,29,68,508	15,00,52,934
TOTAL EQUITY AND LIABILITIES		32,88,74,799	33,95,24,011

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

Subhash Chand Jain Anurag & Associates
Firm Registration No. 004733C
Chartered Accountants

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

(Amit Mundada)
(Company Secretary)

CA. Swastik Jain
PARTNER
Membership No.111580

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

Nagpur
Dated:- 31st July, 2020

Nagpur
Dated:- 31st July, 2020

SHARDA ISPAT LIMITED, NAGPUR. STATEMENT OF PROFIT AND LOSS FOR YEAR ENDING 31st MARCH 2020			
PARTICULARS	NOTES	31st March, 2020	31st March, 2019
I Income			
Revenue from Operations	25	92,91,20,951	1,14,16,63,074
Other Income	26	84,05,791	1,33,96,650
Total Income		93,75,26,741	1,15,50,59,724
II Expenses			
Costs of Material Consumed	27	73,93,72,645	86,85,97,258
Purchases of Stock-in-Trade	28	28,43,040	22,67,377
Changes in Inventories of Stock-in-Trade & Finished Goods	29	(88,51,727)	41,17,507
Employee Benefits Expense	30	2,41,75,619	2,26,93,442
Finance Costs	31	88,19,656	74,44,289
Depreciation and Amortisation Expenses	32	80,05,511	26,70,935
Other Expenses	33	11,50,91,770	15,44,99,638
Total Expenses		88,94,56,514	1,06,22,90,446
III Profit / (Loss) before Tax		4,80,70,228	9,27,69,278
IV Tax Expense			
(1) Current Tax		(1,23,86,120)	(2,63,29,000)
(2) Deferred tax (charge) / credit		5,03,355	14,16,226
(3) Excess / (Short) provision for taxation in respect of earlier years		(2,72,387)	(1,24,405)
		-	-
		(1,21,55,152)	(2,50,37,179)
V Profit / (Loss) for the Year		3,59,15,075	6,77,32,099
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeseasurement of the net defined benefit plans		5,20,138	6,55,948
VII Total comprehensive income for the year		3,64,35,213	6,83,88,047
VIII Earning per equity share of nominal value of ` 10/- each	34	7.07	13.34
Basic and Diluted			

The accompanying notes are an integral part of the financial statements
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Nagpur
Dated:- 31st July, 2020

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Dated:- 31st July, 2020

SHARDA ISPAT LIMITED, NAGPUR. CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020			
Particulars		31st March, 2020	31st March, 2019
A. Cash Flow From Operating Activities			
Net Profit(Loss) before tax		4,80,70,228	9,27,69,278
Adjustments for:			
i) Depreciation & Amortisation		80,05,510	26,70,935
ii) Remeasurement of net defined plan		5,20,138	6,55,948
iii) Interest Paid		88,19,656	74,44,289
iv) Interest Received		(82,10,213)	(1,30,54,053)
Operating Profit before Working Capital Changes :		5,72,05,320	9,04,86,397
Adjustments for:			
i) Decrease/(Increase) in Trade & Other Receivables		71,06,586	(2,90,63,885)
ii) Decrease/(Increase) in Inventories		1,16,46,799	(69,70,291)
iii) Increase/(Decrease) in Trade Payable & Other Liabilities		(1,99,33,404)	(8,00,78,653)
iv) Increase/(Decrease) in provision		6,86,159	3,18,052
v) Decrease/(Increase) in other financial asset and other asset			
		1,41,59,801	(2,35,086)
Cash Generation from Operations		7,08,71,260	(2,55,43,466)
Less: Taxes Paid		2,14,31,708	2,81,01,380
Net Cash from Operating Activities (A)		4,94,39,552	-5,36,44,846
B. Cash Flow From Investing Activities			
Purchase Of Fixed Assets		(5,42,392)	(29,41,164)
Loan (given)/received back during the year		(2,50,87,770)	3,99,70,839
Interest Received		82,14,036	1,30,54,053
(Investment)/ Redemption of Bank deposits		(4,03,232)	15,05,470
Net Cash from Investing Activities (B)		(1,78,19,359)	5,15,89,198
C. Cash Flow From Financing Activities			
Increase/(Decrease) in the Borrowings from Bank		(3,20,43,944)	2,92,80,325
Increase/(Decrease) in the Unsecured loan		1,59,590	(1,13,46,781)
Repayment of Lease obligation		(60,65,939)	-
Interest Paid		(71,63,961)	(74,44,287)
Net Cash from Financing Activities (C)		(4,51,14,254)	1,04,89,257
Net Increase/(Decrease) in Cash & Cash Equivalents A+B+C		(1,34,94,061)	84,33,609
Cash & Cash Equivalents at beginning of the year		1,36,10,539	51,76,930
Cash & Cash Equivalents at the year end		1,16,478	1,36,10,539

The accompanying notes are an integral part of the financial statements
As per our report of even date

For & on behalf of the Board of Directors
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Nagpur
Dated:- 31st July, 2020

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SHARDA ISPAT LIMITED, NAGPUR.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Statement of Changes in Equity
Equity share capital

Particulars	Notes	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A. EQUITY SHARE CAPITAL			
Balance at the beginning of the year	16	5,07,68,000	5,07,68,000
Changes in equity share capital during the year		-	-
Balance at the end of the year		5,07,68,000	5,07,68,000

B. OTHER EQUITY

Particulars	Notes	Capital reserve	Securities Premium reserve	Retained Earnings	Total
Balance at 1st April, 2018	17	25,00,000	2,73,79,000	4,04,36,031	7,03,15,031
Profit / (Loss) for the year		-	-	6,77,32,099	6,77,32,099
Remeasurement of net defined benefit recognised in other comprehensive income		-	-	6,55,948	6,55,948
Balance at 31st March, 2019		25,00,000	2,73,79,000	10,88,24,078	13,87,03,078
Balance at 1st April, 2019		25,00,000	2,73,79,000	10,88,24,078	13,87,03,078
Profit / (Loss) for the year				3,59,15,075	3,59,15,075
Remeasurement of net defined benefit recognised in other comprehensive income				5,20,138	5,20,138
Balance at 31st March, 2020		25,00,000	2,73,79,000	14,52,59,291	17,51,38,291

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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(Amit Mundada)

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(Whole Time Director & CFO)

(DIN 00190512)

Nagpur

Dated:- 31st July, 2020

Nagpur

Dated:- 31st July, 2020

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 31st July, 2020.**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. Derecognition 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 derecognition 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 raw material & Stores & Spares are valued at cost. The cost includes duties & taxes other than credits availed under modvat and is arrived at on First in First out basis

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.

XVI. Leases

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

SHARDA ISPAT LIMITED, NAGPUR.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

- 1) increased by interest on lease liability;
- 2) reduced by lease payments made; and
- 3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

Note 4 - Property, plant and equipment

Particulars	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fittings	Computers	Servers and Networks	Vehicles	Lease Asset	Total
Cost or deemed cost										
Balance at 31st March, 2018	2,00,70,231	14,18,83,009	1,96,146	17,19,316	28,68,922	5,38,950	2,23,122	71,68,163	-	17,46,67,859
Additions	-	12,17,035	-	3,70,403	12,070	93,214	-	12,48,440	-	29,41,162
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2019	2,00,70,231	14,31,00,044	1,96,146	20,89,719	28,80,992	6,32,164	2,23,122	84,16,603	-	17,76,09,021
Accumulated depreciation and impairment										
Balance at 31st March, 2018	1,45,08,949	13,21,23,877	1,25,011	10,57,645	7,62,140	4,11,967	1,09,977	34,17,564	-	15,25,17,130
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Depreciation expense	5,80,293	5,40,308	37,308	2,47,004	2,18,397	71,001	35,295	9,05,724	-	26,35,330
Balance at 31st March, 2019	1,50,89,242	13,26,64,185	1,62,319	13,04,649	9,80,537	4,82,968	1,45,272	43,23,288	-	15,51,52,460
Carrying amount as at 31st March, 2019	49,80,989	1,04,35,859	33,827	7,85,070	19,00,455	1,49,196	77,850	40,93,315	-	2,24,56,561

Particulars	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fittings	Computers	Servers and Networks	Vehicles	Lease Asset	Total
Cost or deemed cost										
Balance at 31st March, 2019	2,00,70,231	14,31,00,044	1,96,146	20,89,719	28,80,992	6,32,164	2,23,122	84,16,603	-	17,76,09,021
Additions	-	-	2,80,700	72,196	70,526	1,18,970	-	-	1,52,92,956	1,58,35,348
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2020	2,00,70,231	14,31,00,044	4,76,846	21,61,915	29,51,518	7,51,134	2,23,122	84,16,603	1,52,92,956	19,34,44,369
Accumulated depreciation and impairment										
Balance at 31st March, 2019	1,50,89,242	13,26,64,185	1,62,319	13,04,649	9,80,537	4,82,968	1,45,272	43,23,288	-	15,51,52,460
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the Year	5,80,293	5,41,083	55,034	2,94,833	2,86,745	82,539	35,295	10,22,718	50,71,366	79,69,906
Balance at 31st March, 2020	1,56,69,535	13,32,05,268	2,17,353	15,99,482	12,67,282	5,65,507	1,80,567	53,46,006	50,71,366	16,31,22,366
Carrying amount as at 31st March, 2020	44,00,696	98,94,776	2,59,493	5,62,433	16,84,236	1,85,627	42,555	30,70,597	1,02,21,590	3,03,22,003

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 5 - Intangible assets

Particulars	Software
Cost or deemed cost	
Balance at March 31, 2018	3,87,500
Additions	-
Disposals	-
Balance at March 31, 2019	3,87,500
Accumulated depreciation and impairment	
Balance at March 31, 2018	1,96,832
Eliminated on disposal of assets	-
Amortisation	35,605
Balance at March 31, 2019	2,32,437
Carrying amount as at March 31, 2019	1,55,063

Particulars	Software
Cost or deemed cost	
Balance at 31st March, 2019	3,87,500
Additions	-
Disposals	-
Balance at 31st March, 2020	3,87,500
Accumulated depreciation and impairment	
Balance at 31st March, 2019	2,32,437
Eliminated on disposal of assets	
Amortisation	35,605
Balance at 31st March, 2020	2,68,042
Carrying amount as at 31st March, 2020	1,19,458

SHARDA ISPAT LIMITED, NAGPUR
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 6 - Investment		
Non Current		
Investment in equity instruments (Unquoted) (Refer Footnote a)		
65252 Equity Shares of Nagpur Nagrik Sahkari Bank (Note i)	32,62,600	32,62,600
Total	32,62,600	32,62,600
Footnote a:		
Aggregate amount of unquoted investments	32,62,600	32,62,600
Aggregate provision for diminution in value of investment	-	-
Note 7 - Other financial assets		
Non current		
Deposits with maturity more than twelve months	29,38,225	19,32,180
Security deposits	29,97,616	30,17,490
Total	59,35,841	49,49,670
Current		
Interest Receivable	4,29,768	4,33,591
Other Debit balances	1,000	1,000
Other Advances and Receivables	-	-
Total	4,30,768	4,34,591
Note 8 - Other non- current assets		
Advance Rentals	56,248	4,590
Total	56,248	4,590
Note 9 - Inventories		
Inventories (lower of cost or net realisable value)		
Raw Material	79,50,663	2,92,25,604
Stock-in-Trade	23,51,017	11,08,317
Finished Goods	3,85,85,309	3,09,76,282
Stores and Spares	71,57,186	63,80,770
Total	5,60,44,175	6,76,90,973
Note 10 - Trade receivables		
Unsecured but considered good	9,07,95,857	9,79,02,442
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Less: Impairment loss allowance	-	-
Total	9,07,95,857	9,79,02,442
Note 11 - Cash and cash equivalents		
Balances with banks:		
- in current accounts	1,16,323	1,34,09,408
- in deposit with maturity of less than three months	-	1,00,000
Cash on hand	155	1,01,131
Total	1,16,478	1,36,10,539
Note 12 - Bank balances other than cash and cash equivalents		
Other Bank Balances:		
Deposits with maturity of more than three months but less than twelve months	19,32,180	25,34,993
Total	19,32,180	25,34,993
Note 13 - Loans		
Current		
Loans to related parties	9,61,52,227	7,10,67,356
Loans to employees	36,649	33,750
Total	9,61,88,876	7,11,01,106
Note 14 - Current tax assets (Net)		
Advance Income Tax paid	1,48,27,137	-
Less: Provision for Tax	(1,23,86,120)	-
Total	24,41,017	-
Income Tax expenses		
Current Tax		
Tax for the year	1,23,86,120	2,63,29,000
Tax in respect of earlier years	2,72,387	1,24,405
Total Current Tax Expenses	1,26,58,507	2,64,53,405
Deferred Tax Expenses / (Income)	(5,03,355)	(14,16,226)
Income Tax expense	1,21,55,152	2,50,37,179
Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate		
Profit for the Year	4,80,70,228	9,27,69,278
Applicable Rate of Tax		
Income tax expense	1,17,67,592	2,58,08,413
Effect of expenses that are not deductible in determining taxable profit	27,40,615	16,01,570
Effect of expenses that are deductible in determining taxable profit due to timing difference	(21,22,087)	(10,80,984)
Effect on deferred tax due to timing difference	(5,03,355)	(14,16,226)
Adjustments for current tax of prior periods	2,72,387	1,24,405
Total	1,21,55,152	2,50,37,179
Note 15 - Other current assets		
Advance for Purchases	1,94,31,013	3,11,65,470
Prepaid Expenses	50,059	1,27,340
Balance with Statutory Authorities	2,17,11,026	2,11,58,335
Others	37,200	29,69,738
Total	4,12,29,298	5,54,20,883

SHARDA ISPAT LIMITED, NAGPUR
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 16 - Equity share capital

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Share Capital		
51,00,000 (As at 31st March, 2019: 51,00,000) Ordinary Equity Shares of Rs.10 each	5,10,00,000	5,10,00,000
Total	5,10,00,000	5,10,00,000
Issued and subscribed capital comprises:		
Ordinary Equity Shares		
50,76,800 (As at 31st March, 2019: 50,76,800) Equity Shares of Rs.10/- each fully paid up	5,07,68,000	5,07,68,000
Total	5,07,68,000	5,07,68,000

a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year

Particulars	Number of shares	Share Capital (Rs)
Ordinary Equity Shares		
Balance at 1st April, 2018	5,07,68,000	5,07,68,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2019	5,07,68,000	5,07,68,000
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2020	5,07,68,000	5,07,68,000

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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	4,00,000	7.88%	4,00,000	7.88%
Sulakshana Trade Holdings Limited	2,85,660	5.63%	2,85,660	5.63%
Anand Nandkishore Sarda	5,84,000	11.50%	5,84,000	11.50%
Asha Agriculture & Properties Pvt. Ltd.	5,26,500	10.37%	5,26,500	10.37%
Nandkishore Sarda	3,23,100	6.36%	2,64,640	5.21%
Ashadevi Sarda	3,10,320	6.11%	1,96,520	3.87%

SHARDA ISPAT LIMITED, NAGPUR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 17 - Other equity		
Capital Reserve	25,00,000	25,00,000
General reserve	2,73,79,000	2,73,79,000
Retained Earning	14,52,59,291	10,88,24,078
Total	17,51,38,291	13,87,03,078
Capital Reserve		
Balance at the beginning of the year	25,00,000	25,00,000
Add / (Less) :	-	-
Balance at the end of the year	25,00,000	25,00,000
Securities Premium		
Balance at the beginning of the year	2,73,79,000	2,73,79,000
Add / (Less) :		
Balance at the end of the year	2,73,79,000	2,73,79,000
Retained Earnings		
Balance at the beginning of the year	10,88,24,078	4,04,36,031
Profit attributable to the owners of the company	3,59,15,075	6,77,32,099
Other comprehensive income for the year	5,20,138	6,55,948
Balance at the end of the year	14,52,59,291	10,88,24,078

Note 18 - Borrowings		
Non-current		
(ii) Term Loans - Secured		
- From banks (Refer footnote a)	8,47,939	13,21,265
	8,47,939	13,21,265
Less: Transferred to Current Maturities of Long Term Loan from Banks	(5,18,205)	(4,69,505)
Total	3,29,734	8,51,760
Current		
(i) Secured (Refer Footnote b)		
From Banks		
Nagpur Nagrik Sahakari Bank Ltd. (CC A/c)	5,56,56,412	8,69,68,644
The Saraswat Co-op. Bank Ltd. (Car Loan)		
(ii) Unsecured (Refer Footnote c)		
Loans repayable on demand:		
From Related Party	-	47,236
Corporate Loans and advances	40,61,622	38,54,796
From Directors	-	-
Total	5,97,18,034	9,08,70,676

Footnotes:

- Term Loan is repayable in 60 monthly installments against hypothecation of Vehicle with finance rate @ 9.60% p.a.
- Working capital loan from Bank is Secured against hypothecation of stocks and book debts and Plant and Machineries carrying interest rate @ 10.50% p.a.
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.
- Unsecured loan carry interest rate @11% p.a.

Note 19 - Other Financial Liabilities		
Non-current		
Lease Liability	47,43,070	-
Total	47,43,070	-
Current		
Lease Liability	61,39,643	-
Current maturities of long-term debts	5,18,205	6,87,589
Other payables	64,580	1,04,882
Total	67,22,428	7,92,471
Note 20 - Provisions		
Non-current		
Employee Benefits		
Provision for Gratuity	29,48,386	28,09,517
Provision for leave benefit	3,50,826	3,49,087
Total	32,99,212	31,58,604
Current		
Employee Benefits		
Provision for Gratuity	21,66,687	17,45,466
Provision for leave benefit	3,06,012	1,81,682
Total	24,72,699	19,27,148

Note 21 - Deferred Tax Liabilities (Net)		
The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet		
Deferred Tax Asset	-	-
Deferred Tax Liability	10,87,275	15,90,630
Total	10,87,275	15,90,630

Particulars	Opening Balance	(Credit) / Charge in statement of Profit and Loss	Closing Balance
For 2019-20			
Deferred tax assets / (liabilities) in relation to:			
On account of Allowances under Income Tax Act	(15,90,630)	(14,48,947)	(1,41,683)
On account of Employee Benefits	-	(14,12,964)	14,12,964
Property, plant and equipment	-	23,58,556	(23,58,556)
Total	(15,90,630)	(5,03,355)	(10,87,275)
For 2018-19			
Deferred tax assets / (liabilities) in relation to:			
On account of Allowances under Income Tax Act	(4,51,031)	(11,39,599)	(15,90,630)
On account of Employee Benefits	12,50,338	(12,50,338)	-
Property, plant and equipment	(38,06,163)	38,06,163	-
Total	(30,06,856)	14,16,226	(15,90,630)

Note: Pursuant to notification of Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay tax as per section 115BAA at the income rate of 22 percent (Plus applicable surcharge and cess). Consequently, during the year ended March 31, 2020, the company has recognised the impact of remeasurement of net deferred tax assets / liabilities and the current tax charge.

Note 22 - Trade payables		
MSME (Refer Footnote)	29,83,965	12,44,321
Other than Acceptances	1,18,33,971	2,60,59,729
Total	1,48,17,936	2,73,04,051

Footnote:

Trade payables are non interest bearing and normally settled on 30 to 45 days.

Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro Small & Medium Enterprises Development Act, 2006.

- a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :

<u>Principal</u>	29,83,965	12,44,321
<u>Interest</u>	-	-
b) Interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed day during the year.	-	-
c) Interest due and payable towards payments already made	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
e) Further interest remaining due and payable in succeeding years, until such interest is actually paid	-	-

Note 23 - Other current liabilities		
Advance from customers	13,23,310	9,82,396
Other payables	84,54,810	1,62,43,015
Total	97,78,120	1,72,25,410
Note 24 - Current tax Liabilities (Net)		
Provision for Tax	-	2,63,29,000
Less: Advance Tax	-	(1,99,96,816)
Total	-	63,32,184

Particulars	For the Year ending 31st March, 2020	For the Year ending 31st March, 2019
Note 25 - Revenue from Operations		
Sale of Goods	92,86,87,222	1,05,82,38,031
Sale of Services	4,33,729	8,34,25,043
Total	92,91,20,951	1,14,16,63,074
Ind AS 115 Revenue from Contracts with Customers		
Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on financial statement of the Company.		
	31st March, 2020	31st March, 2019
Particulars		
Revenue from customers	92,91,20,951	1,14,16,63,074
Other operating revenue	-	-
Total revenue from operations	92,91,20,951	1,14,16,63,074
India	92,91,20,951	1,14,16,63,074
Outside India	-	-
Total revenue from operations	92,91,20,951	1,14,16,63,074
Timing of revenue recognition		
At a point in time	92,91,20,951	1,14,16,63,074
Total revenue from operations	92,91,20,951	1,14,16,63,074
Contract Balances		
Particulars		
Trade Receivables (Gross) (refer note 10)	9,07,95,857	9,79,02,442
Contract liabilities		
Advance from customers (refer note 23)	13,23,310	9,82,396
The credit period on sales of goods ranges from 90 days without security.		
As at 31 March 2020, Rs.Nil (As at 31 March 2019 Rs. Nil) was recognised as provision for allowance for doubtful debts on trade receivables.		
Amount of revenue recognized from amounts included in the contract liabilities at As at 1st April 2019 Rs.9,82,396 (As at 31 March 2018 Rs.11,05,454)		
Out of the total contract liabilities outstanding as on 31 March 2020, Rs.13,23,310 will be recognized by 31 March 2021.		
Note 26 - Other Income		
Dividend Received	1,94,736	3,42,597
Other Income	842	-
Interest Received	82,10,213	1,30,54,053
Total	84,05,791	1,33,96,650
Note 27 - Costs of Material Consumed		
Opening Stock of Raw Material	2,92,25,604	2,13,06,487
Purchases including Expenses	71,80,97,704	89,08,90,994
	74,73,23,308	91,21,97,481
Less : Sales of Raw Material	-	(1,43,74,619)
Less: Closing Stock of Raw Material	(79,50,663)	(2,92,25,604)
Total	73,93,72,645	86,85,97,258
Note 28 - Purchases of Stock-in-Trade		
Purchases of Stock	28,43,040	22,67,377
Total	28,43,040	22,67,377

Note 29 - Changes in Inventories of Stock-in-Trade & Finished Goods		
Opening Stock of Finished Goods	3,20,84,599	3,62,02,106
Less : Closing Stock of Finished Goods	(4,09,36,326)	(3,20,84,599)
Total	(88,51,727)	41,17,507
Note 30 - Employee Benefits Expense		
Salaries, bonus, etc	2,23,22,552	2,13,03,117
Contribution to provident and other funds	8,90,911	10,50,411
Staff welfare expenses	9,62,156	3,39,914
Total	2,41,75,619	2,26,93,442
Note 31 - Finance Costs		
Interest Expense	88,19,656	74,44,289
Total	88,19,656	74,44,289
Note 32 - Depreciation and Amortisation Expenses		
Depreciation on property, plant and equipment	79,69,906	26,35,330
Depreciation on Intangible Asset	35,605	35,605
Total	80,05,511	26,70,935
Note 33 - Other Expenses		
Consumption of Stores & Spare Parts	85,80,896	72,56,666
Power & Fuel	3,47,71,954	5,61,25,108
<u>Repairs & Maintenance to</u>		
Plant & Machinery	5,31,742	2,76,600
Building	21,10,528	23,18,778
Others	9,74,674	7,98,623
Finished Goods Expenses	5,76,591	13,47,840
Rent Paid	72,473	52,51,235
Bank Charges & Interest on LC Disc.	24,588	27,13,574
FG Outward Transportation Charges	2,09,10,892	3,53,61,236
Cash Discount	1,68,39,153	1,33,64,261
Factory Operating Expenses	25,89,400	32,82,220
Keyman Insurance	20,00,000	20,00,000
Professional charges	33,26,231	45,21,023
Contractors Payments	79,57,749	1,45,89,185
Director Sitting Fees	22,000	22,000
Other Miscellaneous Expenses	1,36,27,899	50,96,291
<u>Payment to Auditors</u>		
Audit Fees	1,00,000	1,00,000
Certification Work	75,000	75,000
Total	11,50,91,770	15,44,99,638

Footnote:

Corporate Social Responsibility

Gross Amount required to be spent during the year is Rs.12,44,214 /- (P.Y. Rs 3,82,814./-), the amount spent during the year on purpose other than construction/acquisition of assets is Rs. 6,51,100/- (P.Y. Rs 1,92,100/-).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
Note 34 - Earnings Per Share (EPS)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Basic Earning Per Share	7.07	13.34
Diuted Earnings Per Share	7.07	13.34
34.1 Basic 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.	3,59,15,075	6,77,32,099
Earnings used in the calculation of basic earnings per share	3,59,15,075	6,77,32,099
Weighted average number of equity shares for the purposes of basic earnings per share	50,76,800	50,76,800
Basic EPS	7.07	13.34
34.2 Diluted EPS		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Earnings used in Calculation of Basic Earnings per Share	3,59,15,075	6,77,32,099
Earnings Used in calculation of Diluted earnings per share	3,59,15,075	6,77,32,099
Diluted EPS	7.07	13.34

	Year ended 31st March, 2020	Year ended 31st March, 2019
Note 35(1) - Post Retirement Benefit Plans		
The Principal assumptions used for the purpose of the actuarial valuations were as follows,		
Gratuity:		
Discount Rate	5.59%	6.85%
Expected rate of salary increase	6.00%	6.00%
Expected average remaining service	3.83	4.12
Service cost		
Current service cost	3,62,996	3,66,325
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	2,52,234	3,04,786
Component of define benefit cost recognised in profit or loss	6,15,230	6,71,111
Actuarial (gains) / losses for the period	(55,140)	(1,97,481)
Component of defined benefit cost recognised in other comprehensive income	(55,140)	(1,97,481)
Total	5,60,090	4,73,630
Amount to be recognized in the balance sheet and statement of profit & loss account		
Present value of funded defined benefit obligation	51,15,073	45,54,983
Fair value of plan assets	-	-
Funded status	(51,15,073)	(45,54,983)
Movement in PV of defined benefit obligation		
Opening define benefit obligation	45,54,983	42,80,391
Current service cost	3,62,996	3,66,325
Interest cost	2,52,234	3,04,786
Remesaurement (gains) / (losses):		
Actuarial (gains) and losses arising from changes in financial assumption	1,72,763	57,631
Actuarial (gains) and losses arising from changes in experience adjustment	(2,27,903)	(2,55,112)
Benefits paid	-	(1,99,038)
Closing define benefit obligation	51,15,073	45,54,983
Movements in fair value of plan asstes		
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	21,66,687	
Expected Outgo Second Year	3,99,149	
Expected Outgo Third Year	7,85,237	
Expected Outgo Fourth Year	3,56,056	
Expected Outgo Fifth Year	4,59,435	
Expected Outgo Sixth to Tenth Years	12,43,199	

	Year ended 31st March, 2020	Year ended 31st March, 2019
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Sensitivity Analysis:

As of 31st March, 2020, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.49,76,514

As of 31st March, 2020, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.52,65,797

As of 31st March, 2020, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs.52,55,691

As of 31st March, 2020, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs.49,83,333

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, 2021 is Rs. 3,80,839

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

The number of members under the scheme have increased by 2.63%. The total salary has increased by 2.53% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 12.30%.

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 Salary Escalation Rate

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

7 Discount Rate

The discount rate has decreased from 6.85% to 5.59% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

	Year ended 31st March, 2020	Year ended 31st March, 2019
Note 35(2) - Post Retirement Benefit Plans		
The Principal assumptions used for the purpose of the actuarial valuations were as follows,		
Compensation Absence:		
Discount Rate	5.59%	6.85%
Expected rate of salary increase	6.00%	6.00%
Expected average remaining service	3.83	4.12
Service cost		
Current service cost	5,60,932	5,27,610
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	30,135	33,386
Component of define benefit cost recognised in profit or loss	5,91,067	5,60,996
Actuarial (gains) / losses for the period	(4,86,608)	(4,58,467)
Component of defined benefit cost recognised in other comprehensive income	(4,86,608)	(4,58,467)
Total	1,04,459	1,02,529
Amount to be recognized in the balance sheet and statement of profit & loss account		
Present value of funded defined benefit obligation	5,30,769	4,87,309
Fair value of plan assets	-	-
Funded status	(5,30,769)	(4,87,309)
Movement in PV of defined benefit obligation		
Opening define benefit obligation	5,30,769	4,87,309
Current service cost	5,60,932	5,27,610
Interest cost	30,135	33,386
Remesaurement (gains) / (losses):		
Actuarial (gains) and losses arising from changes in financial assumption	21,610	7,155
Actuarial (gains) and losses arising from changes in experience adjustment	(4,86,608)	(4,66,022)
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)
others (describe)	-	-
Closing define benefit obligation	6,56,838	5,30,769
Movements in fair value of plan asstes		
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	3,06,012	
Expected Outgo Second Year	47,294	
Expected Outgo Third Year	1,03,504	
Expected Outgo Fourth Year	32,962	
Expected Outgo Fifth Year	57,385	
Expected Outgo Sixth to Tenth Years	1,37,895	

	Year ended 31st March, 2020	Year ended 31st March, 2019
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Sensitivity Analysis:

As of 31st March, 2020, every percentage point increase in discount rate will affect our leave benefit obligation Rs.6,39,480

As of 31st March, 2020, every percentage point decrease in discount rate will affect our leave benefit obligation Rs.6,75,963

As of 31st March, 2020, every percentage point increase in salary escalation rate will affect our leave benefit obligation Rs.6,74,682

As of 31st March, 2020, every percentage point decrease in salary escalation rate will affect our leave benefit obligation Rs.6,40,331

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, 2021 is Rs.10,250

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 23.75%

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 Salary Escalation Rate

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

7 Discount Rate

The discount rate has decreased from 6.85% to 5.59% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

Note 36- Contingent Liability.

	Particulars	31st March, 2020	31st March, 2019
a)	Central Excise Duty Matter	39,84,342	1,46,37,177
b)	Income Tax Matter	1,52,630	1,52,630
c)	Sales tax matter other than e)	78,72,475	78,72,475
d)	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.	-	1,67,24,366
e)	Service Tax	-	1,15,559

Note 37- Minimum lease payable are as follows.

	Particulars	31st March, 2020	31st March, 2019
	Within one year	-	60,48,000
	Later than one but not later than 5 years	-	1,20,96,000
	Later than 5 years	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note 38- 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 Ltd
- 2 Navdeep Agriculture & Properties P Ltd
- 3 Kyoto Merchandise Pvt Ltd
- 4 Sharda Dharamkata
- 5 Sharda Ispat Industries Ltd.
- 6 Shardashree Ispat Ltd
- 7 Sharda Auto Industries Ltd
- 8 In Link Capital Services Pvt Ltd
- 9 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			
	NK Sarda	36,00,000	-	-
		(36,00,000)	(-)	(-)
	Poonam Sarda	30,00,000	-	-
		(30,00,000)	(-)	(-)
2	Rent Paid			
	Ashadevi Sarda		24,000	-
			(15,000)	(-)
	Sharda Ispat Industries Ltd.	-	-	57,60,000
		(-)	(-)	(48,00,000)
3	Receiving of Services			
	Anand Sarda	-	8,40,000	-
		(-)	(8,00,000)	(-)
4	Sales of Material / Services			
	Shardashree Ispat Ltd	-	-	34,05,186
		(-)	(-)	(1,29,39,429)
	Sharda Auto Industries Ltd	-	-	11,78,35,374
		(-)	(-)	(14,04,40,847)
	Indigo Denim Pvt Ltd	-	-	28,17,955
		(-)	(-)	(3,009)
5	Receiving of Services			
	Sharda Dharamkata	-	-	1,80,000
		(-)	(-)	(1,76,400)
6	Interest Paid			
	NK Sarda	4,399	-	-
		(52,484)	(-)	(-)
	In Link Capital Services Pvt Ltd	-	-	4,806
		(-)	(-)	(1,41,693)
7	Interest Received			
	Kyoto Merchandise Pvt Ltd	-	-	76,16,523
		(-)	(-)	(98,00,728)
8	Purchases of Goods			
	Shardashree Ispat Ltd	-	-	42,126
		(-)	(-)	(4,84,816)
	Sharda Auto Industries Ltd	-	-	-
		(-)	(-)	(40,970)
	Indigo Denim Pvt Ltd	-	-	30,818
				(11,016)
9	Unsecured Loan Repaid			
	N K sarda	47,676	-	-
		(23,05,248)	(-)	(-)
	Navdeep Agriculture & Properties P Ltd	-	-	-
		(-)	(-)	(7,969)
	In Link Capital Services Pvt Ltd	-	-	1,28,005
		(-)	(-)	(17,26,739)
10	Unsecured Loan Granted			
	Kyoto Merchandise Pvt Ltd	-	-	9,55,50,000
		(-)	(-)	(6,05,85,411)
11	Unsecured Loan Refunded			

	Kyoto Merchandise Pvt Ltd	-	-	7,80,81,652
		(-)	(-)	(11,01,00,073)
	Sharda Auto Industries Ltd	-	-	-
		(-)	(-)	(1,17,505)
12	Unsecured Loan Received			
	N K Sarda	-	-	-
		(23,00,000)	(-)	(-)

	Particulars		
A)	Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence)	31st March, 2020	31st March, 2019
1	Unsecured Loan Payable		
	In Link Capital Services Pvt Ltd	-	1,27,524
2	Unsecured Loan Receivable		
	Kyoto Merchandise Pvt Ltd	9,61,52,227	7,10,67,356
3	Trade Receivables		
	Sharda Auto Industries Ltd	5,50,15,672	1,92,40,735
	Indigo Denim Pvt. Ltd.	28,17,484	-
4	Trade Payables		
	Sharda Dharamkata	2,14,030	1,76,400
	Sharda Ispat Industries Ltd.	3,68,400	2,32,000
	Shardashree Ispat Ltd	-	1,03,605
B)	Key Management Personnel		
	Unsecured Loan Payable		
1	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 39 - 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

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. the Company believes that cash and cash equivalents is sufficient to meet its current requirements.

Maturity patterns of financial liabilities**As at March 31, 2020**

Particulars	0 - 1 Years	1-5 Years	Above 5 Years	Total
Long term borrowings	-	3,29,734	-	3,29,734
Short term borrowings	5,97,18,034	-	-	5,97,18,034
Trade Payable	1,48,17,936	-	-	1,48,17,936
Other Financial Liabilities	1,14,65,498	-	-	1,14,65,498
Total	8,60,01,468	3,29,734	-	8,63,31,202

As at March 31, 2019

Particulars	0 - 1 Years	1-5 Years	Above 5 Years	Total
Long term borrowings	-	8,51,760	-	8,51,760
Short term borrowings	9,08,70,676	-	-	9,08,70,676
Trade Payable	2,73,04,051	-	-	2,73,04,051
Other Financial Liabilities	7,92,471	-	-	7,92,471
Total	11,89,67,198	8,51,760	-	11,98,18,958

Note 40 - 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 31st March, 2020	As at 31st March, 2019
Borrowings including current maturities	6,05,65,973	9,24,10,025
Total Debt	6,05,65,973	9,24,10,025
Less: Cash and cash equivalents	1,16,478	1,36,10,539
Net Debt (A)	6,04,49,495	7,87,99,487
Equity Share Capital	5,07,68,000	5,07,68,000
Other Equity	17,51,38,291	13,87,03,078
Total Equity (B)	22,59,06,291	18,94,71,078
Debt Equity Ratio (A/B)	0.27	0.42

Note 41 - Fair Value measurement

Particulars	31st March, 2020		31st March, 2019	
	FVPL / FVOCI	Amortised Cost	FVPL / FVOCI	Amortised Cost
Financial Assets				
Investments	-	32,62,600	-	32,62,600
Trade receivables	-	9,07,95,857	-	9,79,02,442
Cash and cash equivalents	-	1,16,478	-	1,36,10,539
Bank balances other than above	-	19,32,180	-	25,34,993
Loans	-	9,61,88,876	-	7,11,01,106
Other financial assets	-	63,66,609	-	53,84,261
Total	-	19,86,62,601	-	19,37,95,941
Financial Liabilities				
Borrowings	-	6,00,47,768	-	9,17,22,436
Trade payables	-	1,48,17,936	-	2,73,04,051
Other Financial liabilities	-	1,14,65,498	-	7,92,471
Total	-	8,63,31,202	-	11,98,18,958

Note 42

In March 2020, the World Health Organization declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation - wide lockdown from March 24, 2020. Which has impacted normal business operations of the company. The company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, to determine the impact on the company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories and trade receivables. The Impact of Covid 19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare company's financial results, which may differ from that considered as at the date of approval of these financials results. The Company has resumed its business activities and has taken steps to strengthen its liquidity position. However the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the company is yet closely monitoring the situation as it evolves in the future.

Note 43

Previous period figures have been restated for prior period adjustments and regrouped / reclassified wherever necessary, to make them comparable with current period figures.

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

Subhash Chand Jain Anurag & Associates
Firm Registration No. 004733C
Chartered Accountants

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

(Amit Mundada)
(Company Secretary)

CA. Swastik Jain
PARTNER
Membership No.111580

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

Nagpur
Dated:- 31st July, 2020

Nagpur
Dated:- 31st July, 2020

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2020

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:

- a. CIN: - L74210MH1960PLC011830
 b. Registration Date:- 22-09-1960
 c. Name of the Company: Sharda Ispat Limited
 d. Category/ Sub-Category of the Company: Company Limited by Shares / Indian Non-Government Company
 e. Address of the Registered office and Contact details: Kamptee Road, Nagpur-440026, Tel: 0712-2640071-74, E-mail:- shardaispat.ngp@gmail.com.
 f. Whether Listed Company: Yes/ ~~No~~
 g. Name, Address and Contact details of Registrar and Transfer Agent, if any:
 Adroit Corporate Services Private Limited, 19-20, Jafferbhoy 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:

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Manufacture of Basic Iron and Steel-Hot Rolled Product Steel	24105	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)

1. Category-wise Shareholding

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	0	1675120	33.00	1675120	0	1675120	33.00	0.00
e. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other									
f-1.Partnership Firm	0	10000	10000	0.20	0	10000	10000	0.20	0.00
f-2. Directors	382700	10000	392700	7.74	392700	58460	451160	8.89	1.15
f-3. Directors Relatives	1343040	386740	1729780	34.07	1400140	271180	1671320	32.92	-1.15
Sub-total (A) (1)	3400860	406740	3807600	75.00	3467960	339640	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)	3400860	406740	3807600	75.00	3467960	339640	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) FIIs	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	160086	320360	480446	9.46	160086	320360	480446	9.46	0.00
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	115041	593600	708641	13.96	131476	577000	708476	13.96	0.00
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	112	15000	15112	0.30	112	15000	15112	0.30	0.00
Clearing Member	1	0	1	0.00	0	0	0	0.00	0.00
Non Resident Indians (Individuals)	0	0	0	0.00	166	0	166	0.00	0.00
Sub-total (B)(2):-	275240	993960	1269200	25.00	291840	977360	1269200	25.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	275240	993960	1269200	25.00	291840	977360	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)	3676100	1400700	5076800	100	3759800	1317000	5076800	100	0.00

2. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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.	Asha Agriculture and Properties Pvt.Ltd.	526500	10.37	N.A	526500	10.37	N.A	0.00
2.	Kyoto Merchandise Pvt. Ltd	400000	7.88	N.A	400000	7.88	N.A	0.00
3.	Navdeep Agriculture and properties Pvt.Ltd.	243380	4.79	N.A	243380	4.79	N.A	0.00
4.	Prachi Agriculture and Property Pvt. Ltd.	98100	1.93	N.A	98100	1.93	N.A	0.00
5.	Prem Agriculture and Property Pvt. Ltd.	225740	4.45	N.A	225740	4.45	N.A	0.00
6.	Sarda Agriculture and Properties Pvt.Ltd.	181400	3.57	N.A	181400	3.57	N.A	0.00
7.	Abiculp Agriculture and Property (P) Ltd.	0	0.00	N.A	0	0.00	N.A	0.00
8.	Aditya Ghanshyam Sarda	32200	0.63	N.A	32200	0.63	N.A	0.00
9.	Aditi G.Sarda	0	0.00	N.A	0	0.00	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	196520	3.87	N.A	310320	6.11	N.A	2.24
14.	Ghanshyam Sarda	87400	1.72	N.A	87400	1.72	N.A	0.00
15.	Ghanshyam Das Sarda (HUF)	0	0.00	N.A	0	0.00	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	0	0.00	N.A	-1.78
18.	Kamalkishore Sarda	100120	1.97	N.A	141520	2.79	N.A	0.82
19.	Kamini Sharda	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	0	0.00	N.A	0	0.00	N.A	0.00
22.	Manish Jugalkishore Sarda	25700	0.51	N.A	129133	2.54	N.A	2.03
23.	Nandkishore Sarda	264640	5.21	N.A	323100	6.36	N.A	1.15
24.	Neeraj Sarda	57800	1.14	N.A	129067	2.54	N.A	1.40
25.	Pankaj Sarda	27100	0.53	N.A	27100	0.53	N.A	0.00
26.	Poonam Sarda	128060	2.52	N.A	128060	2.52	N.A	0.00
27.	Prachi Kamalkishore	10000	0.20	N.A	10000	0.20	N.A	0.00
28.	Premlata Sarda	84500	1.66	N.A	0	0.00	N.A	-1.66
29.	Raghava Sarda	0	0.00	N.A	0	0.00	N.A	0.00
30.	Ramkishore Shrilal Sarda	58460	1.15	N.A	0	0.00	N.A	-1.15
31.	R.R.Sarda and Company	10000	0.20	N.A	10000	0.20	N.A	10000
32.	Sandeep T.Laddha	0	0.00	N.A	0	0.00	N.A	0.00
33.	Shakuntaladevi Sarda	155200	3.06	N.A	0	0.00	N.A	-3.06
34.	Shashi K.Rathi	0	0.00	N.A	0	0.00	N.A	0.00
35.	Sheetal K.Rathi	0	0.00	N.A	0	0.00	N.A	0.00

36.	Smita T.Laddha	0	0.00	N.A	0	0.00	N.A	0.00
37.	Umadevi Sarda	66000	1.30	N.A	66000	1.30	N.A	0.00
38.	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

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

Sl. No.		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
	At the beginning of the year	3807600	75.00	3807600	75.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	As per the details given in point no.3.1			
	(e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	3807600	75.00	3807600	75.00

3.1. Details of Change in Promoters Shareholding during the year 2019-20:

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	Neeraj Sarda	At the beginning of the year	57800	1.14					
		Date wise Increase / Decrease in Promoters Share holding			31.05. 2019	Transmiss ion of Shares through will	12650	70450	1.39

		during the year specifying the reasons for increase / decrease							
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			03.03. 2020	Transmiss ion of Shares through will	58617	129067	2.54
		At the end of the year	129067	2.54					
2	Manish Sarda	At the beginning of the year	25700	0.51					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			31.05. 2019	Transmiss ion of Shares through will	77550	103250	2.03
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			03.03. 2020	Transmiss ion of Shares through will	25883	129133	2.54
		At the end of the year	129133	2.54					
3	Jugalkishore Sarda	At the beginning of the year	90200	1.78					
		Date wise Increase / Decrease in Promoters Share holding during the year			31.05. 2019	Transmiss ion of Shares through will	90200	0	0.00

		specifying the reasons for increase / decrease							
		At the end of the year	0	0.00					
4.	Premlata Devi Sarda	At the beginning of the year	84500	1.66					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			03.03. 2020	Transmission of Shares through will	84500	0	0.00
		At the end of the year	0	0.00					
5	Kamalkishore Sarda	At the beginning of the year	100120	1.97					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			15.06. 2019	Transmission of Shares through will	41400	141520	2.79
		At the end of the year	141520	2.79					
6	Nandkishore Sarda	At the beginning of the year	264640	5.21					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			03.01. 2020	Transmission of Shares through will	58460	323100	6.36
		At the end of the year	323100	6.36					
7	Ramkishore Sarda	At the beginning of the year	58460	1.15					

		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			03.01. 2020	Transmiss ion of Shares through will	-58460	0	0.00
		At the end of the year	0	0.00					
8	Ashadevi Sarda	At the beginning of the year	196520	3.87					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			17.01. 2020	Transmiss ion of Shares through will	113800	310320	6.11
		At the end of the year	310320	6.11					
9	Shakuntala Sarda	At the beginning of the year	155200	3.06					
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			15.06. 2019	Transmiss ion of Shares through will	-41400	113800	2.24
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			17.01. 2020	Transmiss ion of Shares through will	-113800	0	0.00
		At the end of the year	0	0.00					

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

Sl. No	Name of Shareholder	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.	Sulakshana 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.	Krishnaben Laxmanbhai Patel	4713	0.09	01.04 .2019	Nil	N.A	4713	0.09
				31.01 .2020	6	Purchase from market	4719	0.09
				21.02 .2020	546	Purchase from	5265	0.10

						market		
				28.02.2020	83	Purchase from market	5348	0.11
				31.03.2020	0	N.A	5348	0.11

5. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholder	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					
1.	Shri. Nandkishore Sarda (Chairman & Managing Director)	264640	5.21	03.01.2020	58460	Due to transmission of shares	323100	6.36
2.	Smt. Poonam Sarda (Whole-time Director & CFO)	128060	2.52	N.A	Nil	N.A	128060	2.52
3.	Shri. Amit B.Mundada (Company Secretary & Compliance Officer)	0	0	N.A	Nil	No Shares held	0	0

6. 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	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
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	(3,08,42,728)	(3,05,452)	0	(3,11,48,180)
Net Change	(3,08,42,728)	(3,05,452)	0	(3,11,48,180)
Indebtedness at the end of the financial year				
i). Principal Amount	5,56,56,412	49,17,845	0	6,05,74,257
ii). Interest due but not paid	0	0	0	0
iii). Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	5,56,56,412	49,17,845	0	6,05,74,257

7. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		N.K.Sarda	Poonam Sarda*	
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	30,00,000	66,00,000
	Value of perquisites u/s17(2) Income-tax Act, 1961	--	--	--
	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 Per Annum	30,00,000 Per Annum	

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

B. Remuneration to other directors:

Sl. 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	6,000	8,000	8,000	22,000
	• Commission	--	--	--	--
	• Others, please specify	--	--	--	--
	Total (1)	6,000	8,000	8,000	22,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
3	Total (B)=(1+2)	6,000	8,000	8,000	22,000
Total Managerial Remuneration		6,000	8,000	8,000	22,000
Overall Ceiling as per the Act		1,00,000 Per Board Meeting	1,00,000 Per Board Meeting	1,00,000 Per Board Meeting	

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	30,00,000 -- --	4,93,507 -- --	34,93,507 -- --
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission as % of profit Others specify.	-- --	-- --	-- --
5.	Others, please specify	--	--	--
	Total	30,00,000	4,93,507	34,93,507

*Smt. Poonam Sarda is Whole-time Director as well as CFO of the Company. The total remuneration paid during the FY 2019-20 to her is Rs 30 Lacs.

8. 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 Description	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	--	--	--	--	--

Annexure 3 to Board's Report**FORM NO. AOC.2**

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

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

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

Sl 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

Sl 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 1.492 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.24,000/- Per Annum
E	Date(s) of approval by the Board, if any	31-07-2020
F	Amount paid as advances, if any:	--

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

Sl 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 4.323 acres taken on lease for using as Registered office of the Company.
C	Duration of the contracts/arrangements/transactions	3 years
D	Salient terms of the contracts or arrangements or transactions, including the value, if any:	Rent Rs.57,60,000/- Per Annum (Exclusive of Taxes)
E	Date(s) of approval by the Board, if any	14-02-2019
F	Amount paid as advances, if any:	--

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

Sl 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, Round, other store materials consumable items and waste and scraps
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	30-05-2019
F	Amount paid as advances, if any:	--

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

Sl 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	13-11-2020

F	Amount paid as advances, if any:	--
---	----------------------------------	----

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

Sl No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Dharamkanta
B	Nature of contracts/arrangements/transactions	Truck hire charges
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	31-07-2020
F	Amount paid as advances, if any:	--

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

Sl 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 and equipments at the company's plant located at Kamptee Road, Nagpur
E	Date(s) of approval by the Board, if any	30-05-2019
F	Amount paid as advances, if any:	--

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

Sl 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 steam coal, coal dust and scrap
C	Duration of the contracts/arrangements/transactions	During the year 2019-20
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	14-02-2020
F	Amount paid as advances, if any:	--

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

Sl 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 square bar, other store materials, consumable items and waste and scrap
C	Duration of the contracts/arrangements/transactions	During the year 2019-20
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	30-05-2019
F	Amount paid as advances, if any:	--

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

Sl 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 2019-20
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	30-05-2019
F	Amount paid as advances, if any:	--

For and on behalf of the Board of Directors
Sd/-

Date: 13.11.2020
Place: Nagpur

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

Annexure 4 to Board's Report

(A) CONSERVATION OF ENERGY:

The Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. Effective measures such as improved 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 has been 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)-

- | | |
|---|--|
| <ul style="list-style-type: none">a. The details of technology importedb. The year of importc. Whether the technology been fully absorbedd. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | <p>No technology imported during last three years.</p> |
|---|--|

The expenditure incurred on Research and Development.

- | | |
|---|--|
| <ul style="list-style-type: none">a. Capitalb. Recurringc. Totald. Total R & D expenditure as a percentage of total turnover | <p>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.</p> |
|---|--|

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. The company has not affected any import or export during the year ended 31.03.2020.
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 2020	March 2019
D. Power and Fuel Consumption		
1. Electricity:		
a). Purchased : Units (No.)	18,60,461	31,20,420
Total Amount (Rs.)	1,84,23,249	2,58,57,096
Average Rate/ Unit (Rs.)	9.90	8.29
b). Own Generation	Nil	Nil
2. Steam Coal		
Quantity (Tonnes)	2,960	4,517
Total Cost (Rs.)	2,46,21,881	3,02,68,012
Average Rate/ Tonne (Rs.)	8,471	6,701
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
Rolled Iron & Steel (in MT)	18,753	33,658
Electricity (in Units)	99.21	92.71
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B' Grade) (in MT) excluding Shell & Dust	0.155	0.134
Other (Specify)	Nil	Nil

For and on behalf of the Board of Directors

Sd/-

Date: 13.11.2020

Place: Nagpur

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

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

Annexure 5 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 2019-20, 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 2019-20 (Amount in Rs.)	% increase/ (decrease) in Remuneration in the Financial Year 2019-20	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 decreased by 48.18% and profit after tax decreased by 46.97% in financial year 2019-20. There was a change in remuneration of KMP and its increase by 2.49%.
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)	4,93,507	2.49		

2. The median remuneration of employees of the Company during the financial year 2019-20 was Rs. 3,02,717 /- per annum.
3. In the financial year 2019-20, there was no increase in the median remuneration of employees.
4. There were 39 permanent employees on the rolls of the Company as on March 31, 2020.

5. There was an increase of 3.85% in the salaries of the employees other than the managerial personnel in the last financial year 2019-20 and no change in managerial remuneration during the same financial year.
6. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.
7. The Sub-rule 2 of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

For and on behalf of the Board of Directors

Sd/-

Date: 13.11.2020

Place: Nagpur

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

Annual Report on Corporate Social Responsibility (CSR) Activities For the Financial Year 2019-20.

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.

Composition of CSR Committee:

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

Name of Director	Position in Committee	Category of Director
Shri. Nandkishore Sarda	Chairman	Executive Director
Shri. Rajendra Prasad Mohanka	Member	Non-Executive Independent Director
Shri. Ramesh Mantri	Member	Non-Executive Director

Average Net Profit of the Company for the last three financial years: Rs. 6,22,10,684/-

Prescribed CSR expenditure (2% of the amount mentioned in item 3 above): Rs. 12,44,214/-.

Details of CSR Spent during the financial year:

- a) Total amount to be spent for the financial year: Rs. 12,44,214/-
- b) Amount unspent, if any; Rs. 5,93,114/-

**Annual Report on Corporate Social Responsibility (CSR) Activities
For the Financial Year 2019-20.**

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."

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2. Composition of CSR Committee:

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

Name of Director	Position in Committee	Category of Director
Shri. Nandkishore Sarda	Chairman	Executive Director
Shri. Rajendra Prasad Mohanka	Member	Non-Executive Independent Director
Shri. Ramesh Mantri	Member	Non-Executive Director

3. Average Net Profit of the Company for the last three financial years: Rs. 6,22,10,684/-

4. Prescribed CSR expenditure (2% of the amount mentioned in item 3 above): Rs. 12,44,214/-.

5. Details of CSR Spent during the financial year:

- a) Total amount to be spent for the financial year: Rs. 12,44,214/-
- b) Amount unspent, if any; Rs. 5,93,114/-

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	Education	Clause No.ii	Nagpur	3,50,000	3,50,000	3,50,000	Through implementing Agency
2.	Animal Welfare	Clause no.iv	Nagpur	2,51,100	2,51,100	2,51,100	Through implementing Agency
3	Healthcare and Hygiene	Clause No.i	Nagpur	50,000	50,000	50,000	Through implementing Agency

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.

In the reporting period, the Company has spent 52.33% of the prescribed amount to be spent on CSR activities. As a responsible corporate citizen, we are committed to our duty towards the society. Since we were in the second 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.

Place: Nagpur
Date: 03rd March,2020

Nandkishore Sarda
Chairman, CSR Committee

Annexure 7 to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2020

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

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

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 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, 2020 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 the Company for the financial year ended on 31st March, 2020 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 (Buy back of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period); and;
 - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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)
FCS 10043, CP No. 12708
UDIN:F010043B001234563
Date :13/11/20120
Place : Nagpur

This Report is to be read with my 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 a 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 random 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)
FCS 10043, CP No. 12708
UDIN:F010043B001234563
Date :13/11/2020
Place : Nagpur

SHARDA ISPAT LIMITED

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

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

ATTENDANCE SLIP

I hereby record my presence at the 59th 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, 11th December, 2020 at 11.00 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 59th Annual General Meeting of the company, to be held on the 11th day of December, 2020 At 11.00 a.m. 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, 2020 along with the reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director.
3. Appointment of Statutory Auditors to fill the casual vacancy
4. Appointment of Statutory Auditors for a period of Five years
5. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2021.
6. Approval of Related Party Transactions.

7. To approve the revision in the remuneration of Shri. Nandkishore Sarda, Chairman and Managing Director of the Company.
8. To approve the revision in the remuneration of Smt. Poonam Sarda, Whole-time Director of the Company.

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

Signature of shareholder :

Signature of Proxy holder(s):

Affix
Revenue
Stamp

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

S 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:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial Statements for the financial year ended March 31, 2020 along with the reports of the Board of Directors and Auditors thereon.			
2.	Re-appointment of Smt. Poonam Sarda (retiring Director) as Director.			
3.	Appointment of Statutory Auditors to fill the casual Vacancy			
4.	Appointment of Statutory Auditors for a period of five years			
5.	To approve the Remuneration to the Cost Auditor for the Financial Year ending March 31, 2021.			

6.	Approval of Related Party Transactions.			
7.	To approve the revision in the remuneration of Shri. Nandkishore Sarda, Chairman and Managing Director of the Company.			
8.	To approve the revision in the remuneration of Smt. Poonam Sarda, Whole-time Director of the Company.			

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

