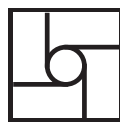


# **61<sup>st</sup> Annual REPORT**

**2021-2022**



**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, 2<sup>nd</sup> Floor, Bajaj Wing, NMC Mangalwari  
Complex, Sadar, Nagpur – 440001

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

**Cost Auditor** : M/s. KHANUJA PATRA & ASSOCIATES  
Cost Accountants,  
104, Shubhashish Square, Above Tanishq  
Showroom, Shraddhanand Peth, Abhyankar  
Nagar, Nagpur-440010

**Bankers** : NAGPUR NAGARIK SAHAKARI BANK LTD.  
Dharampeth Branch: Block No. 103, Lok  
Kalyan Bhavan, Plot No. 184/2, North  
Bazar Road, Dharampeth, Nagpur-440010

**Registered Office** : Kamptee Road, Nagpur - 440026  
Phone No. 0712-2640071  
E-mail : [shardaispat.ngp@gmail.com](mailto:shardaispat.ngp@gmail.com)

**Corporate Office** : 'DA-ROCK', Plot No. 230, 6th Floor,  
Hill Road, Shivaji Nagar, Nagpur-440010  
Phone No.- 0712-2245888

**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](http://www.shardaispat.com)



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

<b>Sr.No.</b>	<b>Name of the Members</b>	<b>Position</b>
1.	Shri. R.P. Mohanka	Chairman
2.	Shri. Ramesh Mantri	Member
3.	Shri. H. K. Dass	Member

**2. Nomination and Remuneration Committee**

<b>Sr.No.</b>	<b>Name of the Members</b>	<b>Position</b>
1.	Shri. R.P. Mohanka	Chairman
2.	Shri. Ramesh Mantri	Member
3.	Shri. H. K. Dass	Member

**3. Stakeholders Relationship Committee**

<b>Sr.No.</b>	<b>Name of the Members</b>	<b>Position</b>
1.	Shri. H.K. Dass	Chairman
2.	Shri. Nandkishore Sarda	Member
3.	Smt. Poonam Sarda	Member

**4. Corporate Social Responsibility Committee**

<b>Sr.No.</b>	<b>Name of the Members</b>	<b>Position</b>
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 sixty first Annual General Meeting of the Members of Sharda Ispat Limited will be held on Friday, the 30<sup>th</sup> day of September, 2022 at 11.00 a.m. (I.S.T), at the corporate office of the Company at Da-rock, Plot no. 230, 6<sup>th</sup> 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 Financial Statements of the Company including Balance Sheet, Profit and Loss Account and Cash Flow Statement for the year ended as at 31<sup>st</sup> March, 2022, together with the report 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, offers herself for re-appointment.

#### **SPECIAL BUSINESS**

##### **3. To approve the Remuneration of the Cost Auditor**

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

**“RESOLVED THAT** pursuant to Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023 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 is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

#### **4. Material Related Party Transaction(s) with Sharda Auto Industries Limited:**

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

**“RESOLVED THAT** pursuant to Regulation 23 (4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, each as amended from time to time and the Company’s Policy on Related Party Transaction(s), basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into contract(s)/ arrangement(s)/transaction(s)(whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Sharda Auto Industries Limited, a related party of the Company under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and Sharda Auto Industries Limited, for an aggregate value of up to Rs. 250 crore to be entered during the 5 financial years i.e. from FY 2022-23 to FY 2026-27, subject to such contract(s) / arrangement(s)/transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions.

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

**By order of the Board of Directors**

**For Sharda Ispat Limited**

**Date: 12.08.2022**  
**Place: Nagpur**

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

## NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such Proxy shall not act as a Proxy for any other person or member.

The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than 48 (Forty Eight) hours before the commencement of the meeting.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Ordinary / Special Business under Item Nos. 3 and 4 of the Notice to be transacted at the AGM is annexed hereto.
3. Corporate members are requested to send board resolution duly certified, authorizing their representative to attend and vote on their behalf at the AGM.
4. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.shardaispat.com](http://www.shardaispat.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. In terms of SEBI Circular No.SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of AGM alongwith Proxy Form is being sent to those Members whose email addresses are not registered with the Company / Depositories.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
7. Members holding shares in dematerialized form are requested to intimate any change in their postal address, email address, Permanent Account Number (PAN), bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are requested to intimate the said changes to the Registrar and Transfer Agent of the Company.

A). Updation of KYC Details and Mandatory Linkage of PAN with Aadhar

SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/ 687 dated December 14, 2021, mandates all the listed Companies to record the PAN, Nomination, KYC details of all the shareholders and Bank Account details of first holder. The KYC letters along with requisite forms will be dispatched to all such shareholders holding shares in physical form alongwith the notice of the Annual General Meeting.

The salient features and requirements of the Circulars are as follows:

- a. Non-updation of KYC: Folios wherein any ONE of the cited details / documents (i.e. PAN, Contact details, Bank Details, Nomination) are not available on or after April 1, 2023, shall be frozen.
- b. The securities in the frozen folios shall be :
  - i. Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
  - ii. Eligible for any payment including dividend, interest or redemption only through electronic mode upon complying with the above stated requirements.

In view of aforesaid, we request you to submit the requisite Investor Service Request Form(s) along with the required supporting documents as stated therein at the earliest.

The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3 or SH-13, SH-14 and SEBI circular are available on the RTA website at [www.adroitcorporate.com/RandTServices.aspx](http://www.adroitcorporate.com/RandTServices.aspx).

8. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at [www.shardaispat.com/investors/forms](http://www.shardaispat.com/investors/forms) and on the RTA website at [www.adroitcorporate.com/RandTServices.aspx](http://www.adroitcorporate.com/RandTServices.aspx). It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

9. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid any inconvenience in future.
10. The Securities and Exchange Board of India (SEBI) has mandated that w.e.f. April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. In view of the same, members holding shares in physical form are requested to get them converted into dematerialized form.
11. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief Profile / Resume of Director(s) proposed to be appointed/re-appointed, their expertise in specific functional areas, skills and capabilities, relationships between directors inter-se, names of listed companies in which they hold directorships and memberships/ chairmanships of Board Committees, their shareholding in the Company, are provided in Annexure - A forming part of the Notice.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company.
13. Route Map for venue of AGM is annexed in this Notice.
14. The Register of Directors and Key Managerial Personnel and their shareholding, under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of Companies Act, 2013 and all documents referred to in this Notice and accompanying Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, will be available for inspection of the Members from the date of circulation of this Notice up to the date of AGM i.e. Friday, September 30, 2022. Members seeking to inspect, can send an e-mail to Secretarial Department of the Company at [shardaispat.ngp@gmail.com](mailto:shardaispat.ngp@gmail.com).
15. Voting through Electronic Means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, holding shares as on Friday, 23 September, 2022 being the Cut-off date, facility to exercise their right to vote by electronic means and the business shall be transacted through e-Voting Services. The facility of casting the votes by members using the electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-Voting shall be able to exercise their right at the meeting through Ballot Paper. The members who have cast their vote by remote e-Voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The Instructions for Members for remote e-Voting are as under:**





The remote e-Voting period commences on Tuesday, September 27, 2022 (09:00 a.m.) (IST) and ends on Thursday, September 29, 2022 (5:00 p.m. IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23 September, 2022, may cast their votes electronically. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23 September, 2022.

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> </ol>

	<p>either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System My easi.</li> <li>After successful login of Easi /Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective</li> </ol>



	ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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 to 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'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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](http://www.evoting.nsdl.com).
  - b). "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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](mailto:cssunsharma7@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
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](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 18001020990 and 180022 4430 or send a request to Anubhav Saxsena at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Process for those shareholders whose email IDs are not registered with the depositories for procuring user id and password and registration of email IDs for e-Voting for the resolutions set out in this notice:

- a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@adroitcorporate.com](mailto:info@adroitcorporate.com) in with copy marked to [shardaispat.ngp@gmail.com](mailto:shardaispat.ngp@gmail.com).
  - b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@adroitcorporate.com](mailto:info@adroitcorporate.com) in with copy marked to [shardaispat.ngp@gmail.com](mailto:shardaispat.ngp@gmail.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
  - c. Alternatively shareholder/member may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
  - d. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
16. Shri. Sunil Kumar Sharma, proprietor of Sunil Kumar Sharma & Associates, Practicing Company Secretaries in whole-time practice with Membership No. FCS 10043 and Certificate of Practice No.12708, has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
17. The Scrutinizer shall immediately after conclusion of AGM, 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 submit not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or the person authorized by him in writing who shall countersign the same.
18. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company [www.shardaispat.com](http://www.shardaispat.com). The result will simultaneously be communicated to BSE Limited, where the equity shares of the Company are listed. The results will also be displayed at the Notice board of the company at its Registered Office and will be placed on the website of NSDL i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## **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 and 4 in the accompanying Notice dated 12<sup>th</sup> August, 2022.

#### **Item No. 3**

The Board, on the recommendation of the Audit Committee, has in its meeting held on 30<sup>th</sup> May, 2022, approved the appointment of M/s. Khanuja Patra and Associates, Cost and Management Accountants, Nagpur as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 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 Auditor 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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2023.

The Board recommends the Ordinary Resolution set out at Item No. 3 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. 3 of the Notice.

#### **Item No.4**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all Material Related Party Transaction ('RPT') with an aggregate value exceeding 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on

the other hand, regardless of whether a price is charged or not. It is in the above context that Resolution No. 4 is placed for the approval of the Shareholders of the Company.

Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021		
Sr.No.	Description	Details
1. Details of summary of information provided by the Management to the Audit Committee		
i.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Sharda Auto Industries Limited. Shri. Nandkishore Sarda, Managing Director and Chairman of the Company is also director of Sharda Auto Industries Limited and Smt. Poonam Sarda, Whole-Time Director and Chief Financial Officer of the Company is also director of Sharda Auto Industries Limited as on the date of this notice.
ii.	Nature, tenure, material terms, monetary value and particulars of contracts or arrangement	The transaction involves Sale of flats and other store materials and consumable items to Sharda Auto Industries Limited. The above arrangements are continuing business transactions. Approval of the shareholders is being sought for transactions during the 5 financial years i.e. from FY2022-23 to FY2026-27, aggregating up to Rs.250.00 crore.
iii.	Value of the proposed transaction	Up to Rs. 250.00 crore.
iv.	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	16.93%
2.	Justification as to why the RPT is in the interest of the listed entity	Sharda Ispat Limited is in the business of manufacturing of flats. Sharda Auto Industries Limited is in the business of manufacturing of spring leaves. The flat is used as a raw material for manufacturing of spring leaves. The finished goods of Sharda Ispat Limited is a raw material of Sharda Auto Industries Limited. Sharda Ispat Limited and Sharda Auto Industries Limited being part of the Sharda Group, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of material and services

		without interruptions and generation of revenue and business for both the companies to cater to their business requirements. Further, the plant of Sharda Auto Industries Ltd. is in close proximity to Sharda Ispat Limited this reduces transportation cost for both the companies.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
i.	Details of the source of funds in connection with the proposed transaction	Not Applicable
ii.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments -nature of indebtedness -cost of funds; and -tenure	
iii.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	
iv.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The proposed RPTs have been evaluated by an external independent consulting firm in terms of pricing and arm's length criteria and the report confirms that the proposed RPTs are on arm's length basis. The report is available for inspection by the Members of the Company. They may follow the process for inspection of document as mentioned in 'Notes' section forming part of this Notice.
5.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

The Management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into Related Party Transactions with Sharda Auto Industries Limited for an aggregate value of up to Rs. 250 crore to be entered during the 5 financial years i.e. from FY 2022-23 to FY 2026-27. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 4 of the accompanying Notice to the shareholders for approval. Yours directors recommend the resolution for your approval.

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

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



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

(In pursuance of sub-regulation (3) of 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: 12.08.2022  
Place: Nagpur**

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

# **Board's Report**

Dear Members,

Your Directors are pleased to present herewith the Sixty First Annual Report of Sharda Ispat Limited ('the Company') alongwith the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022.

## **1. FINANCIAL RESULTS: (STANDALONE)**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2022 is summarised below.

**(Rs.in Lakhs)**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Gross Income	11,989.57	9,673.04
Profit Before Interest and Depreciation	551.56	613.58
Less: Finance Charges	67.57	78.98
Gross Profit	483.99	534.60
Less: Provision for Depreciation	71.90	76.05
Profit before Exceptional Item and Tax	412.09	458.55
Net Profit Before Tax	412.09	458.55
Less: Provision for Tax		
a. Current Tax	(110.25)	(111.30)
b. Income Tax (earlier years)	(4.19)	(4.25)
c. Deferred Tax	4.47	2.05
Net Profit After Tax	302.12	345.05
Balance of Profit / (Loss) Brought Forward	1,957.49	1,452.59
Other Comprehensive Income	170.13	159.85
Surplus Carried to Balance Sheet	2429.74	1,957.49

## **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. IMPACT OF COVID-19 ON OPERATIONS :**

The COVID-19 pandemic has led to the unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. With intermittent nationwide lockdowns and disruption in regular economic activities, there was price volatility of raw materials and sluggish market demand during first half of the year under review. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies and keeping its employees and community at the core of it.

The health and safety of employees and the communities in which the Company operates continue to be the foremost priority of the Company. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations. During the challenging times, the Company maintained its liquidity position by minimizing cash outflows and maintaining a judicious mix of funding instruments to fulfil its operational requirements.

### **4. 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.

### **5. TRANSFER TO RESERVES:**

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2021-22 in the statement of profit and loss.

### **6. INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANY:**

During the financial year ending 31<sup>st</sup> March, 2022, the Company has no Subsidiary, Joint Venture or Associate Companies. 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.

### **7. 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.

**8. 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:**

There are no adverse material changes or commitments occurred after March 31, 2022, which may affect the financial position of the Company or may require disclosure.

**9. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In terms of the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Poonam Sarda (DIN 00190512) Whole-time Director and Chief Financial officer of the Company retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Further, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, in its meeting held on 14<sup>th</sup> February, 2022, subject to the consent of the members of the Company, had re-appointed Smt. Poonam Sarda as Whole-time Director of the Company for a period of five years with effect from 1st April, 2022, which was further approved by the shareholders of the company by passing Ordinary Resolution through Postal Ballot Notice dated 21<sup>st</sup> April, 2022.

Further, on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the Members of the Company vide Postal Ballot Notice dated 21<sup>st</sup> April, 2022 have re-appointed Shri. Nandkishore Sarda (DIN: 00229911) as Chairman and Managing Director by passing Special Resolution for a period of 5 (five) years with effect from 01<sup>st</sup> April, 2022.

The Board of directors recommends her appointment for consideration of the shareholders at item no.2 of the Notice calling 61<sup>st</sup> 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 61<sup>st</sup> Annual General Meeting.

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 per the provisions of Section 2 (51) read with 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.

Your Company has received the necessary declaration from each Independent Directors who are part of board confirming that:

- a. He meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 read with the schedules, rules made thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- b. Registered themselves with the Independent Director's databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

### **Key Managerial Personnel**

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

## **10. BOARD EVALUATION:**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of the committee, effectiveness of the committee meetings, information and functioning.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as contribution of individual director to the Board and committee meetings like preparedness on the issues to be discussed and inputs in meetings etc.

In a separate meeting of independent directors, the performance of the non-independent directors, the Chairman of the Company and the Board as a whole was evaluated, taking into account the views of the executive and non-executive directors.

## **11. 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, positive attributes, 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.

The policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other employees is posted on the website of the Company <http://shardaispat.com> under the policy tab in Investor section.

## **12. FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS**

The familiarization program aims to provide insights to the Independent Directors to understand the business of the Company. Upon induction, the independent directors are familiarized with their roles, rights and responsibilities. Your Company provides information to familiarize the Independent Directors with the strategy, operations and functions of the Company.

At various Board Meetings during the year, the Board Members are provided with information and are given an opportunity to interact with the senior management of your Company to help them to understand the Company's strategy /policies, business model, operations, products, markets, organization structure, finance, human resources, technology, quality, facilities and risk management, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and such other matters as may arise from time to time.

Quarterly information on business performance, operations, safety, market scenario, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, donations, regulatory scenario etc.

The policy on familiarization programmes for Independent Directors is posted on the website of the Company <http://shardaispat.com/investor/policy>.

### **13. 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 for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there were no material departures from the same;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;

(iii) The Directors have taken 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 Directors have prepared the annual accounts for the year ended March 31, 2022 on a 'going concern' basis.

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi). The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **14.AUDITORS AND THEIR REPORT:**

#### **STATUTORY AUDITORS**

At the Annual General Meeting for the financial year 2019-20 held on 11<sup>th</sup> December, 2020, M/s. Panpalia Taori & Co., Chartered Accountants, Nagpur were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2025.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark. The report of the Statutory Auditor forms part of this Report and Annual Accounts 2021-22. During the year under review, M/s. Panpalia Taori & Co., Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to

the Audit Committee, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

### **COST AUDITORS**

Pursuant to Section 148 (1) 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 prepared 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 Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of Shri. Deepak Khanuja, partner of M/s. Khanuja Patra & Associates, Cost Accountants, Nagpur to conduct the audit of the cost accounting records of the Company for the financial year 2022-23 on a remuneration of Rs. 30,000/-.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, resolution seeking members ratification for remuneration to be paid to Cost Auditors is included at Item No.3 of the Notice convening Annual General Meeting.

### **SECRETARIAL AUDITOR:**

The Board has appointed M/s. Sunil Kumar Sharma and Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 is annexed herewith marked as Annexure-5 to this report.

With reference to the comment of the secretarial auditors regarding-

The Company has not paid listing fee to Calcutta Stock Exchange and the Status of the Company as viewed on the website of Calcutta Stock Exchange, is Suspended.

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.

### **15. CORPORATE SOCIAL RESPONSIBILITY:**

The Company has been carrying out various Corporate Social Responsibility (CSR) activities in the areas of health and animal welfare. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the



Company on Corporate Social Responsibility Activities undertaken by the Company during the year under review are set out in Annexure-1 of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014.

Members are requested to refer the Corporate Governance Report forming part of this annual report for the composition of the Corporate Social Responsibility Committee. The CSR policy of your Company is available on the website of the Company- <http://shardaispat.com/investor/policy> under the head policies under the Investor's section.

## **16. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements set out by SEBI. The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

The requisite certificate from Secretarial Auditors of the Company viz. M/s. Sunil Kumar Sharma and Associates, Practicing Company Secretaries, Nagpur confirming compliance with conditions of Corporate Governance is attached to Report on Corporate Governance.

## **17. DISCLOSURES**

### **MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD:**

During the Financial Year 2021-22, four Board Meetings were convened and held. Also a separate meeting of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013 was held.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. The details of meetings of Board of Directors are provided in the Report on Corporate Governance that forms part of this Annual Report.

The Details of composition of the Board and its Committees as well as details of the Board and Committees meetings held during the year under review are given in the Corporate Governance Report.

**PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars of Loans given and investments made are given in Note No. 13 and 6 to the financial statements. The loans given are utilized by the recipient for their business purposes. There are no guarantees or securities granted as referred to in Section 186 of the Companies Act, 2013. Members are requested to refer the notes of the financial statements for details.

**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.)

**RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the policy on Related Party Transactions, as amended, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as approved by the Board is uploaded on the Company's website at <http://shardaispat.com> under the head policy in Investor section. During the year under review, all Related Party Transactions entered into by the Company were approved by the Audit Committee and were at arm's length.

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the 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-2. Details of related party transactions entered into by the Company, in terms of IND AS-24 have been provided in Note '37' to the financial statements. (Please refer Note No. 13 and 37 of the financial statements).

**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 – 3.

#### **ANNUAL RETURN:**

In accordance with Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return for Financial year 2021-22 is available on Company's website at <http://shardaispat.com>.

#### **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-4.

The details of top ten employees of the Company is annexed as Annexure 4-A to this Report.

None of the Employee has drawn the remuneration more than the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **RISK MANAGEMENT POLICY:**

The Company has in place a Risk Management System with the Objective to formalize the process of Identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure which takes care of risk identification, assessment and mitigation. This system is a step by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time.

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 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.

The risk management policy of your Company is available on the website of the Company- <http://shardaispat.com/investor/policy>.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunal which impact the going concern status and Company's operations in future.
5. The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and such accounts and records are made and maintained.
6. 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.
7. There are no such shares of the Company which are to be kept in the shares suspense account.
8. The Company has complied with provisions relating to the constitution of Internal Complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
9. Under the Insolvency and Bankruptcy Code 2016, no applications were made during the financial year 2021-22 by or against the Company and there are no proceedings pending as at the end of the financial year.
10. The Company has not made any one time settlement with any of its lenders.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosures/ information/ details disclosed/ given elsewhere in the annual report have not been repeated again in the Board's Report for the sake of brevity. Members are requested to refer relevant sections for the information. All policies/ disclosures required to be disclosed on the website are available under the Investors' section on the website of the Company at [www.shardaispat.com](http://www.shardaispat.com).

**ACKNOWLEDGEMENT:**

The Directors would like to express their sincere appreciation of the co-operation 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.

**Date: 12.08.2022**

**Place: Nagpur**

**For and on behalf of the Board of Directors**

**Sd/-**

**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, 2022, 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, 2022, 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 thereunder, 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, 2022. 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 matter
<p><b>Related Party Transaction</b></p> <p>The company has entered into various transactions with the related parties. The transaction includes sale of goods, purchase of goods, receiving services, providing loans to related party.</p> <p>Identification, completeness, compliance with laws and disclosure of transaction with related parties are key audit matters.</p> <p>We have identified the related party transaction as a key audit matter because of risks with respect to completeness of disclosure made in the financial statement, judgment involved in assessing whether transaction entered with the related parties are accounted at arm length price and proper compliance of related party transaction with respect to Companies Act, 2013 and Regulations 23 of SEBI (Listing Obligation and Disclosure Requirements), regulation 2015.</p>	<p>Our audit procedure includes the following</p> <ol style="list-style-type: none"> <li>1. We have obtained understanding of Companies procedures with respect of identifying related parties.</li> <li>2. We have assessed whether the effective internal control are in place with respect to identifying, authorizing, recording and disclosing related party transaction.</li> <li>3. We carried out an assessment of compliance with the Companies Act mainly section 177 and section 188. We have also checked the compliance with the SEBI (Listing Obligation and Disclosure Requirements).</li> <li>4. We have tested on sample basis, related party transactions with the underlying agreement, contracts confirmation letters and other supporting.</li> <li>5. Obtained an understanding of the Company's procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.</li> <li>6. We considered the adequacy and appropriateness of the disclosures in the financial statement in accordance with relevant Indian Accounting Standard (Ind AS).</li> </ol>

### **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, 2020 ("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 thereunder;
  - (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, 2022 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 2022 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) 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, 2022. Refer Note 36 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, 2022.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material misstatement.
  - v. During the year under review, the Company has not paid any dividend and hence Section 123 of the Act is not applicable to the Company.

- vi. 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.

**For Panpaliya Taori & Co.**  
Chartered Accountants

UDIN-22115665AJXIUX6840

**Ritesh Panpaliya**  
Partner (M.No.115665)  
Firms Reg. No. 125508W

Nagpur, dated

30th May, 2022.

## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred in our Audit Report of even date of M/s Sharda Ispat Limited for the year ended 31-03-2022)

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)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant, and equipment were verified during the year. In our opinion, this periodicity of physical verification 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 all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year ended March 31,2022.

(e) No proceedings have been initiated or are pending against the company for holding any Benami property under the “Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:

Rs in lakhs							
Name of the Bank	Working Capital Limit Sanctioned	Nature of current assets offered as security	Quarter	Amount as per statement submitted to bank (a)	Amount as per books of account (b)	Difference (a-b)	Reason for difference
Nagpur Nagarik Sahakari Bank Limited	875.00	Hypothecation of Stock and Debtors	Jun-21	1207.92	961.26	246.66	Incorrect valuation of stock
			Sep-21	1715.05	1735.90	-20.85	Incorrect valuation of stock
			Dec-21	2066.51	2072.55	-6.04	Incorrect valuation of stock
			Mar-22	2115.67	2063.69	51.98	Incorrect valuation of stock and also incorrect reporting of debtor amount

(iii) During the year, the company has not made any investment and provided any guarantee or security. However, company has granted loans to company in respect of which the requisite information is given below

(a)

Rs in lakhs	
Particulars	Loans
Aggregate amount granted/ provided during the year	160.00
<u>Particulars</u>	
Subsidiaries	-
Associate	-
Others	160.00
Balance Outstanding as at balance sheet date	
Subsidiaries	-
Associate	-
Others	676.00

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided and the terms and conditions of the grant of loans and guarantees provided during the year are, *prima facie*, not prejudicial to the interest of the Company
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on Clause 3(v) of the Order is not applicable to the Company.
- (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 generally regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, Income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amount payable in respect of these

statutory dues were outstanding 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 and Excise Duty as on 31<sup>st</sup> March 2022 which have not been deposited on account of dispute and the forum where the disputes are pending are as under.

Rs in lakhs				
Sr. No.	Name of the Statute	Nature of Dues	Amount	Forum where dispute is pending
1	Central Excise Act	Excise Duty & Penalty	19.64	JOINT COMMISSIONER Central Excise Nagpur
2	Income Tax Act, 1961 (A.Y.2014-15)	Income Tax	1.53	Commissioner of Income Tax (Appeals), Nagpur

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) No term loans were sanctioned during the year.

(d) On an overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long term purposes by the company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence the requirement to report on Clause 3(ix)(f) of the order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on Clause 3(x)(a) of the Order is not applicable to the Company.



- (b) The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud on or by the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on Clause 3(xii)(a)/(b)/(c) of the Order is 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 notes to the Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors issued till date of the audit report for the period under audit were considered by us.
- (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 its directors and hence requirement to report on Clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India, hence, the requirement to report under Clause 3(xvi)(c) of the order is not applicable to the company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on Clause 3(xvi)(d) of the order is not applicable to the company.

- (xvii) The company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(viii) of the order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in notes to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of subsection (6) of Section 135 of the said Act. Accordingly, reporting under Clause 3(xx) of the Order is not applicable for the year.
- (xxi) The Company is not required to prepare the consolidated financial statements hence reporting under this clause is not applicable to the company.

**For Panpaliya Taori& Co.  
Chartered Accountants**

UDIN-22115665AJXIUX6840

Nagpur, dated the  
**30-05-2022**

**Ritesh Panpaliya  
Partner (M.No.115665)  
Firms Reg. No. 125508W**

## **“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, 2022 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, 2022, 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 Panpaliya Taori & Co.**  
Chartered Accountants

UDIN-22115665AJXIUX6840

**Ritesh Panpaliya**  
Partner (M.No.115665)  
Firms Reg. No. 125508W

Nagpur, dated

30th May, 2022.

SHARDA ISPAT LIMITED, NAGPUR. BALANCE SHEET AS AT 31st MARCH 2022			
(Rs. In Lakhs)			
PARTICULARS	NOTES	31st March, 2022	31st March, 2021
<b>Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4	169.29	233.40
(b) Intangible assets	5	0.47	0.83
(c) Financial assets			
(i) Investments	6	934.46	743.54
(ii) Other financial assets	7	81.03	54.54
(d) Other non-current assets	8	-	0.30
<b>Total Non-Current Assets</b>		<b>1,185.25</b>	<b>1,032.61</b>
<b>2 Current assets</b>			
(a) Inventories	9	832.80	701.27
(b) Financial assets			
(i) Trade receivables	10	1,289.95	1,224.71
(ii) Cash and cash equivalents	11	105.17	0.72
(iii) Bank balances other than (ii) above	12	4.03	22.91
(iv) Loans	13	677.60	607.39
(v) Other financial assets	7	0.97	6.78
(c) Other current assets	14	268.09	417.29
<b>Total Current Assets</b>		<b>3,178.62</b>	<b>2,981.07</b>
<b>TOTAL ASSETS</b>		<b>4,363.87</b>	<b>4,013.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	507.68	507.68
(b) Other equity	16	2,728.53	2,256.28
<b>Total Equity</b>		<b>3,236.21</b>	<b>2,763.96</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	-	-
(ii) Other Financial Liabilities	18	-	0.33
(b) Provisions	19	20.85	31.68
(c) Deferred Tax Liabilities (Net)	20	45.63	28.25
<b>Total Non-Current Liabilities</b>		<b>66.47</b>	<b>60.26</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	760.47	788.69
(i)(a) Lease Liability	21	0.60	57.86
(iii) Trade payables	22	123.27	211.46
(b) Other current liabilities	23	132.76	77.83
(c) Provisions	19	38.92	23.03
(d) Current tax Liabilities (Net)	24	5.17	30.59
<b>Total Current Liabilities</b>		<b>1,061.19</b>	<b>1,189.46</b>
<b>Total Liabilities</b>		<b>1,127.66</b>	<b>1,249.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,363.87</b>	<b>4,013.68</b>

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

**Panpaliya Taori and Co.**  
Firm Registration No. 125508W  
Chartered Accountants

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

**(Amit Mundada)**  
(Company Secretary)

**CA. Ritesh Panpaliya**  
Partner  
Membership No.115665

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

**Nagpur**  
Dated:- 30th May 2022

**Nagpur**  
Dated:- 30th May 2022

SHARDA ISPAT LIMITED, NAGPUR.			
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDING 31st MARCH 2022			
(Rs. In Lakhs)			
PARTICULARS	NOTES	31st March,2022	31st March, 2021
<b>I Income</b>			
Revenue from Operations	25	11,935.09	9,527.81
Other Income	26	54.48	145.23
<b>Total Income</b>		<b>11,989.57</b>	<b>9,673.04</b>
<b>II Expenses</b>			
Costs of Material Consumed	27	10,409.01	7,463.29
Purchases of Stock-in-Trade	28	34.39	59.03
Changes in Inventories of Stock-in-Trade & Finished Goods	29	(497.05)	312.37
Employee Benefits Expense	30	230.70	225.71
Finance Costs	31	67.57	78.98
Depreciation and Amortisation Expenses	32	71.90	76.05
Other Expenses	33	1,260.95	999.06
<b>Total Expenses</b>		<b>11,577.48</b>	<b>9,214.49</b>
<b>III Profit / (Loss) before Tax</b>		<b>412.09</b>	<b>458.55</b>
<b>IV Tax Expense</b>			
(1) Current Tax		(110.25)	(111.30)
(2) Deferred tax (charge) / credit		4.47	2.05
(3) Excess / (Short) provision for taxation in respect of earlier years		(4.19)	(4.25)
		-	-
		<b>(109.97)</b>	<b>(113.50)</b>
<b>V Profit / (Loss) for the Year</b>		<b>302.12</b>	<b>345.05</b>
<b>VI Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gain / Loss on Fair Valuation of Investment		190.92	169.83
Remeseasurement of the net defined benefit plans		1.05	9.45
Deferred Tax on above		(21.84)	(19.43)
<b>VII Total comprehensive income for the year</b>		<b>472.25</b>	<b>504.90</b>
<b>VIII Earning per equity share of nominal value of Rs. 10/- each</b>		<b>5.95</b>	<b>6.80</b>
Basic and Diluted			

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

**Panpaliya Taori and Co.**  
Firm Registration No. 125508W  
Chartered Accountants

**(Nandkishore Sarda)**  
(Chairman cum Managing Director)  
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**(Amit Mundada)**  
(Company Secretary)

**CA. Ritesh Panpaliya**  
Partner  
Membership No.115665

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

**Nagpur**  
Dated:- 30th May 2022

**Nagpur**  
Dated:- 30th May 2022

SHARDA ISPAT LIMITED, NAGPUR.			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022			
(Rs. In Lakhs)			
A.	Cash Flow From Operating Activities	31.03.2022	31.03.2021
	<b>Net Profit(Loss) before tax</b>	<b>412.09</b>	<b>458.54</b>
	<b>Adjustments for:</b>		
	i) Depreciation & Amortisation	71.90	76.05
	ii) Remeasurement of net defined plan	1.05	9.45
	iii) Interest Paid	67.57	78.98
	iv) Interest Received	(54.26)	(37.31)
	v) Profit on redemption on Mutual Fund	-	(105.99)
	Operating Profit before Working Capital Changes :	<b>498.35</b>	<b>479.72</b>
	<b>Adjustments for:</b>		
	i) Decrease/(Increase) in Trade & Other Receivables	(65.23)	(316.75)
	ii) Decrease/(Increase) in Inventories	(131.54)	(140.82)
	iii) Increase/(Decrease) in Trade Payable & Other Liabilities	(33.26)	42.39
	iv) Increase/(Decrease) in provision	5.05	(3.01)
	v) Decrease/(Increase) in other financial asset and other asset	150.25	20.22
	Cash Generation from Operations	<b>423.62</b>	<b>81.75</b>
	Add: Taxes Paid	(139.85)	(84.94)
	<b>Net Cash from Operating Activities (A)</b>	<b>283.77</b>	<b>(3.19)</b>
B.	<b>Cash Flow From Investing Activities</b>		
	Purchase Of Fixed Assets	(7.44)	(5.87)
	Loan (given)/received back during the year	(70.22)	354.50
	Interest Received	51.70	34.87
	Investment in mutual fund	-	(950.00)
	Increase in bank balances	-	-
	Redemption of Mutual Fund	-	514.90
	<b>Net Cash from Investing Activities (B)</b>	<b>(25.96)</b>	<b>(51.59)</b>
C.	<b>Cash Flow From Financing Activities</b>		
	Increase/(Decrease) in the Borrowings from Bank	(290.41)	220.75
	Increase/(Decrease) in the Unsecured loan	262.19	(36.77)
	Repayment of Lease obligation	(57.57)	(50.65)
	Interest Paid	(67.57)	(78.98)
	<b>Net Cash from Financing Activities (C)</b>	<b>(153.36)</b>	<b>54.34</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents A+B+C</b>	<b>104.45</b>	<b>(0.44)</b>
	<b>Cash &amp; Cash Equivalents at beginning of the year</b>	<b>0.72</b>	<b>1.16</b>
	<b>Cash &amp; Cash Equivalents at the year end</b>	<b>105.17</b>	<b>0.72</b>

Panpaliya Taori and Co.

Firm Registration No. 125508W

Chartered Accountants

(Nandkishore Sarda)

(Chairman cum Managing Director)

(DIN 00229911)

CA. Ritesh Panpaliya

Partner

Membership No.115665

(Amit B. Mundada)

(Company Secretary)

(Poonam Sarda)

(Whole Time Director & CFO)

(DIN 00190512)

Nagpur

Date: 30th May 2022

SHARDA ISPAT LIMITED, NAGPUR.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Statement of Changes in Equity

Equity share capital

(Rs. In Lakhs)

Particulars	Notes	For the Year ended 31st March 2022	For the Year ended 31st March 2021
<b>A. EQUITY SHARE CAPITAL</b>			
Balance at the beginning of the year	15	507.68	507.68
Changes in equity share capital during the year		-	-
<b>Balance at the end of the year</b>		<b>507.68</b>	<b>507.68</b>

**B. OTHER EQUITY**

(Rs. In Lakhs)

Particulars	Notes	Capital reserve	Securities Premium reserve	Retained Earnings	Total
<b>Balance at 1st April, 2020</b>		<b>25.00</b>	<b>273.79</b>	<b>1,452.59</b>	<b>1,751.38</b>
Profit / (Loss) for the year		-	-	345.04	345.04
Other comprehensive income		-	-	159.85	159.85
<b>Balance at 31st March, 2021</b>		<b>25.00</b>	<b>273.79</b>	<b>1,957.48</b>	<b>2,256.27</b>
<b>Balance at 1st April, 2021</b>		<b>25.00</b>	<b>273.79</b>	<b>1,957.48</b>	<b>2,256.27</b>
Profit / (Loss) for the year		-	-	302.12	302.12
Other comprehensive income		-	-	170.13	170.13
<b>Balance at 31st March, 2022</b>		<b>25.00</b>	<b>273.79</b>	<b>2,429.73</b>	<b>2,728.52</b>

**Panpaliya Taori and Co.**

Firm Registration No. 125508W

Chartered Accountants

**(Nandkishore Sarda)**

(Chairman cum Managing Director)

(DIN 00229911)

**CA. Ritesh Panpaliya**

Partner

Membership No.115665

**(Amit Mundada)**

(Company Secretary)

**(Poonam Sarda)**

(Whole Time Director & CFO)

(DIN 00190512)

**Nagpur**

**Dated:- 30th May 2022**

**Nagpur**

**Dated:- 30th May 2022**



**Note 1. Company Overview And Significant Accounting Policies****1.1 Company Overview**

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

1.2 The financial statements are approved for issue by the Company's Board of Directors on 30th May, 2022.

**Note 2. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the 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.

The financial statements have been prepared on accrual basis and under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

**I. Significant accounting judgements, estimates and assumptions**

The preparation of financial statement is in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**The areas involving critical estimates or judgements are :**

- a) Estimation of defined benefit obligation
- b) Impairment of financial asset such as trade receivables
- c) Impairment of Non- financial Assets
- d) Estimation of Tax Expense and Liability

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

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

Revenue is recognized 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. Revenue is measured based on the transaction price, which is the consideration, adjusted to discounts, incentives and returns, etc., if any

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

**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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

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**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

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**

Effective from April 1, 2019, the company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at end of the year, ended March 31, 2019 have not been retrospectively adjusted.

**Measurement of Lease Liability**

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

(Rs. In Lakhs)

Particulars	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fittings	Computers	Servers and Networks	Vehicles	Lease Asset	Total
<b>Cost or deemed cost</b>										
<b>Balance at 31st March, 2020</b>	200.70	1,431.00	4.77	21.62	29.52	7.51	2.23	84.17	152.93	1,934.44
Additions	-	3.30	0.12	1.56	0.20	0.70	-	-	-	5.87
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2021</b>	<b>200.70</b>	<b>1,434.30</b>	<b>4.88</b>	<b>23.18</b>	<b>29.72</b>	<b>8.21</b>	<b>2.23</b>	<b>84.17</b>	<b>152.93</b>	<b>1,940.31</b>
<b>Accumulated depreciation and impairment</b>										
<b>Balance at 31st March, 2020</b>	156.70	1,332.05	2.17	15.99	12.67	5.66	1.81	53.46	50.71	1,631.22
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the Year	5.80	4.47	0.55	1.79	2.90	0.83	0.30	8.07	50.98	75.69
<b>Balance at 31st March, 2021</b>	<b>162.49</b>	<b>1,336.53</b>	<b>2.72</b>	<b>17.78</b>	<b>15.57</b>	<b>6.49</b>	<b>2.10</b>	<b>61.53</b>	<b>101.69</b>	<b>1,706.91</b>
<b>Carrying amount as at 31st March, 2021</b>	<b>38.21</b>	<b>97.77</b>	<b>2.16</b>	<b>5.40</b>	<b>14.14</b>	<b>1.72</b>	<b>0.13</b>	<b>22.63</b>	<b>51.24</b>	<b>233.40</b>

Particulars	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fittings	Computers	Servers and Networks	Vehicles	Lease Asset	Total
<b>Cost or deemed cost</b>										
<b>Balance at 31st March, 2021</b>	200.70	1,434.30	4.88	23.18	29.72	8.21	2.23	84.17	152.93	1,940.31
Additions	-	-	-	1.02	-	1.22	-	5.19	-	7.44
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2022</b>	<b>200.70</b>	<b>1,434.30</b>	<b>4.88</b>	<b>24.20</b>	<b>29.72</b>	<b>9.43</b>	<b>2.23</b>	<b>89.36</b>	<b>152.93</b>	<b>1,947.75</b>
<b>Accumulated depreciation and impairment</b>										
<b>Balance at 31st March, 2021</b>	162.49	1,336.53	2.72	17.78	15.57	6.49	2.10	61.53	101.69	1,706.91
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the Year	5.81	3.94	0.56	1.66	2.92	0.95	0.02	4.73	50.98	71.55
<b>Balance at 31st March, 2022</b>	<b>168.30</b>	<b>1,340.47</b>	<b>3.28</b>	<b>19.44</b>	<b>18.49</b>	<b>7.44</b>	<b>2.12</b>	<b>66.26</b>	<b>152.67</b>	<b>1,778.46</b>
<b>Carrying amount as at 31st March, 2022</b>	<b>32.40</b>	<b>93.83</b>	<b>1.60</b>	<b>4.76</b>	<b>11.23</b>	<b>1.99</b>	<b>0.11</b>	<b>23.10</b>	<b>0.26</b>	<b>169.29</b>

**SHARDA ISPAT LIMITED, NAGPUR.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

**Note 5 - Intangible assets**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>Software</b>
<b>Cost or deemed cost</b>	
<b>Balance at 31st March, 2020</b>	3.88
Additions	-
Disposals	-
<b>Balance at 31st March, 2021</b>	<b>3.88</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance at 31st March, 2020</b>	2.69
Eliminated on disposal of assets	
Depreciation expense	0.36
<b>Balance at 31st March, 2021</b>	<b>3.05</b>
<b>Carrying amount as at 31st March, 2021</b>	<b>0.83</b>

<b>Particulars</b>	<b>Software</b>
<b>Cost or deemed cost</b>	
<b>Balance at 31st March, 2021</b>	3.88
Additions	
Disposals	
<b>Balance at 31st March, 2022</b>	<b>3.88</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance at 31st March, 2021</b>	3.05
Eliminated on disposal of assets	-
Depreciation expense	0.36
<b>Balance at 31st March, 2022</b>	<b>3.41</b>
<b>Carrying amount as at 31st March, 2021</b>	<b>0.47</b>

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 6 - Investment</b>		
<b>Non Current</b>		
Investment in equity instruments (Unquoted) (Refer Footnote a) 65,252 (P.Y. 65,252) Equity Shares of Nagpur Nagrik Sahkari Bank	32.63	32.63
Investment in Mutuals Fund (Quoted) (at Fair value through Other Comprehensive Income) 49,639.065 (P.Y. 49,639.065) HDFC Hybuild Equity Fund Direct Plan Growth Option	41.88	35.26
197,635.81 (P.Y.197,639.809) ICICI Prudential Equity & Debt Fund Direct Plan Growth	486.09	363.20
13,23,886.406 (P.Y.13,23,886.406) TATA India Consumer Fund Direct Plan Growth	373.86	312.46
<b>Total</b>	<b>934.46</b>	<b>743.54</b>
<b>Footnote a:</b>		
Aggregate amount of quoted investments	901.83	710.91
Aggregate amount of unquoted investments	32.63	32.63
Aggregate provision for diminution in value of investment	-	-
<b>Note 7 - Other financial assets</b>		
<b>Non current</b>		
Deposits with maturity more than twelve months	53.04	25.79
Security deposits	27.98	28.74
<b>Total</b>	<b>81.02</b>	<b>54.54</b>
<b>Current</b>		
Interest Receivable	0.93	6.74
Other Debit balances	0.04	0.04
<b>Total</b>	<b>0.97</b>	<b>6.78</b>
<b>Note 8 - Other non- current assets</b>		
Advance Rentals	-	0.30
<b>Total</b>	<b>-</b>	<b>0.30</b>
<b>Note 9 - Inventories</b>		
Inventories (lower of cost or net realisable value)		
Raw Material	182.18	570.62
Finished Goods	594.04	96.99
Stores and Spares	56.58	33.65
<b>Total</b>	<b>832.80</b>	<b>701.27</b>
<b>Note 10 - Trade receivables</b>		
Unsecured but considered good	1,289.95	1,224.71
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>1,289.95</b>	<b>1,224.71</b>
<b>Trade Receivable</b>	<b>F.Y. 2021-22</b>	
Particulars	Outstanding for following periods from due date of payment	
	Less than 6 months	Total
(i) Undisputed Trade receivables – considered good	1,289.95	1,289.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-
(iv) Disputed Trade Receivables– considered good	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-

Trade Receivable		F.Y. 2020-21	
Particulars	Outstanding for following periods from due date of payment#		
	Less than 6 months	Total	
(i) Undisputed Trade receivables – considered good	1,224.71	1,224.71	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	
<b>Note 11 - Cash and cash equivalents</b>			
Balances with banks:			
- in current accounts	104.89	0.46	
- in deposit with maturity of less than three months		-	
Cash on hand	0.28	0.26	
<b>Total</b>	<b>105.17</b>	<b>0.72</b>	
<b>Note 12 - Bank balances other than cash and cash equivalents</b>			
Other Bank Balances:			
Deposits with maturity of more than three months but less than twelve months	4.03	22.91	
<b>Total</b>	<b>4.03</b>	<b>22.91</b>	
<b>Note 13 - Loans</b>			
<b>Current</b>			
Loans to related parties	676.26	606.81	
Loans to employees	1.34	0.58	
<b>Total</b>	<b>677.60</b>	<b>607.39</b>	

Loans & Advances		F.Y. 2021-22	Rs. In Lakhs
Type of Borrower	Amount of Loans & Advances in the nature of loans Outstanding	Percentage to the total loans and advances in the nature of loans	
Promoters	-	-	
Directors	-	-	
KMP	-	-	
Related Party	676.26	99.80%	

Loans & Advances		F.Y. 2020-21	Rs. In Lakhs
Type of Borrower	Amount of Loans &	Percentage to the	
Promoters	-	-	
Directors	-	-	
KMP	-	-	
Related Party	606.81	99.90%	

<b>Note 14 - Other current assets</b>		
Advance for Purchases	57.72	185.31
Prepaid Expenses	0.43	1.50
Balance with Statutory Authorities	209.70	230.23
Advance rentals	0.04	-
Others	0.20	0.25
<b>Total</b>	<b>268.09</b>	<b>417.29</b>



**SHARDA ISPAT LIMITED, NAGPUR**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**Note 15 - Equity share capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Share Capital</b>		
51,00,000 (As at 31st March, 2020: 51,00,000) Ordinary Equity Shares of Rs.10 each	510.00	510.00
<b>Total</b>	<b>510.00</b>	<b>510.00</b>
<b>Issued and subscribed capital comprises:</b>		
<b>Ordinary Equity Shares</b>		
50,76,800 (As at 31st March, 2021: 50,76,800) Equity Shares of Rs.10/- each fully paid up	507.68	507.68
<b>Total</b>	<b>507.68</b>	<b>507.68</b>

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

Particulars	Number of shares	Share Capital (Rs)
<b>Ordinary Equity Shares</b>		
Balance at 1st April, 2020	507.68	507.68
Add / (Less) : Issued / (Bought back) during the year	-	-
Balance at 31st March, 2021	507.68	507.68
Add / (Less) : Issued / (Bought back) during the year	-	-
<b>Balance at 31st March, 2021</b>	<b>507.68</b>	<b>507.68</b>

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

- 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.

**Equity Share Capital**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No of shares held	% holding of this class of shares	No of shares held	% holding of this class of shares
<b>Ordinary Equity Shares</b>				
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%
Ashadevi Sarda	5,49,340	15.07%	3,10,320	6.11%
Asha Agriculture & Properties Pvt. Ltd.	5,26,500	10.37%	5,26,500	10.37%
Nandkishore Sarda	3,23,100	6.36%	3,23,100	6.36%

**c) Details of Promoters shareholders holding in equity shares of the company**

**For the year ended March 31, 2021**

Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	KYOTO MERCHANDISE PRIVATE LIMITED	4,00,000	7.88	Nil
2	SARDA AGRICULTURE & PROPERTIES (P) LTD.	1,81,400	3.57	Nil
3	PREM AGRICULTURE AND PROPERTY PRIVATE LIMITED	2,25,740	4.45	Nil
4	ASHA AGRICULTURE AND PROPERTIES PRIVATE LIMITED	5,26,500	10.37	Nil
5	PRACHI AGRICULTURE AND PROPERTIES PRIVATE LIMITED	98,100	1.93	Nil
6	NAVDEEP AGRICULTURE AND PROPERTIES PRIVATE LIMITED	2,43,380	4.79	Nil
7	POONAM SARDA	1,28,060	2.52	Nil
8	NANDKISHORE RAMNIWAS SARDA	3,23,100	6.36	Nil
9	ANANDKUMAR NANDKISHORE SARDA	5,84,000	11.50	Nil
10	MANISH JUGALKISHORE SARDA	1,29,133	2.54	Nil
11	NEERAJ SARDA	79,067	1.56	Nil
12	ASHADEVI SARDA	7,65,220	15.07	4.25
13	ADITYA GHANSHYAM SARDA	32,200	0.63	Nil
14	ANSU SARDA	1,500	0.03	Nil
15	VEENADEVI GHANSHYAM SARDA	55,000	1.08	Nil
16	ANANDKUMAR NANDKISHORE SARDA (HUF)	24,000	0.47	Nil
17	KAMINI SHARDA	1,200	0.02	Nil
18	R R SARDA AND COMPANY	10,000	0.20	Nil
	<b>Total</b>	<b>38,07,600</b>	<b>75.00</b>	<b>4.25</b>

\*Promoter here means promoter as defined in the Companies Act, 2013.

\*\* Details shall be given separately for each class of shares

\*\*\* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.”;

**For the year ended March 31, 2021**

Sr. No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	KYOTO MERCHANDISE PRIVATE LIMITED	4,00,000	7.88	Nil
2	SARDA AGRICULTURE & PROPERTIES (P) LTD.	1,81,400	3.57	Nil
3	PREM AGRICULTURE AND PROPERTY PRIVATE LIMITED	2,25,740	4.45	Nil
4	ASHA AGRICULTURE AND PROPERTIES PRIVATE LIMITED	5,26,500	10.37	Nil
5	PRACHI AGRICULTURE AND PROPERTIES PRIVATE LIMITED	98,100	1.93	Nil
6	NAVDEEP AGRICULTURE AND PROPERTIES PRIVATE LIMITED	2,43,380	4.79	Nil
7	POONAM SARDA	1,28,060	2.52	Nil
8	NANDKISHORE RAMNIWAS SARDA	3,23,100	6.36	Nil
9	JUGAL KISHOR SARDA (HUF)	41,380	0.82	Nil
10	MANISH JUGALKISHORE SARDA	1,29,133	2.54	Nil
11	ANANDKUMAR NANDKISHORE SARDA	5,84,000	11.50	Nil
12	ANSU SARDA	1,500	0.03	Nil
13	PRACHI SARDA	10,000	0.20	Nil
14	ASHADEVI SARDA	5,49,340	10.82	4.71
15	ADITYA GHANSHYAM SARDA	32,200	0.63	Nil
16	VEENADEVI GHANSHYAM SARDA	55,000	1.08	Nil
17	ANANDKUMAR NANDKISHORE SARDA (HUF)	24,000	0.47	Nil
18	GHANSHYAM RAMKISHORE SARDA	87,400	1.72	Nil
19	PANKAJ SARDA	27,100	0.53	Nil
20	NEERAJ SARDA	1,29,067	2.54	Nil
21	KAMINI SHARDA	1,200	0.02	Nil
22	R R SARDA AND COMPANY	10,000	0.20	Nil
	<b>TOTAL</b>	<b>38,07,600</b>	<b>75.00</b>	<b>4.71</b>

\*Promoter here means promoter as defined in the Companies Act, 2013.

\*\* Details shall be given separately for each class of shares

\*\*\* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.”;

(Rs. In Lakhs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 16 - Other equity</b>		
Capital Reserve	25.00	25.00
General reserve	273.79	273.79
Retained Earning	2,429.74	1,957.49
<b>Total</b>	<b>2,728.53</b>	<b>2,256.28</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	25.00	25.00
Add / (Less) :	-	-
<b>Balance at the end of the year</b>	<b>25.00</b>	<b>25.00</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	273.79	273.79
Add / (Less) :	-	-
Amount transferred from Debenture redemption reserve	-	-
<b>Balance at the end of the year</b>	<b>273.79</b>	<b>273.79</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	1,957.49	1,452.59
Profit attributable to the owners of the company	302.12	345.04
Other comprehensive income for the year	170.13	159.85
<b>Balance at the end of the year</b>	<b>2,429.74</b>	<b>1,957.49</b>
<b>Security Premium :</b>		
Security Premium represents the premium received on issue of shares. It can be utilised to pay-off equity related expenses or for issuance of bonus shares and its related issue expenses.		
<b>General reserve</b>		
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.		

(Rs. In Lakhs)		
<b>Note 17 - Borrowings</b>		
<b>Non-current</b>		
(ii) Term Loans - Secured		
- From banks (Refer footnote a)	-	4.24
	-	<b>4.24</b>
Less: Transferred to Current Maturities of Long Term Loan from Banks	-	(4.24)
<b>Total</b>	-	-
<b>Current</b>		
<b>(i) Secured (Refer Footnote b)</b>		
<b>From Banks</b>		
Nagpur Nagrik Sahakari Bank Ltd. (CC A/c)	490.20	780.61
<b>(ii) Unsecured (Refer Footnote c)</b>		
Loans repayable on demand:		
From Related Party	-	-
Current maturities of long-term debts	-	4.24
Corporate Loans and advances	270.27	3.84
<b>Total</b>	<b>760.47</b>	<b>788.69</b>

**Disclosure related to Statement submitted to bank and amount disclosed in financial statement.**

Name of bank	Name of bank	Nature of current assets offered as security	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount of difference *
Nagpur Nagrik Sahakari Bank Ltd.	June-21	Hypothecation of Stock and Debtors	1,207.92	961.26	246.66
	September-21		1,715.05	1,735.90	(20.85)
	December-21		2,066.51	2,072.55	(6.04)
	March-22		2,115.67	2,063.69	51.98

\* Due to incorrect valuation of stock.

**Footnotes:**

a. 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 @ 11% p.a.

b. 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.

c. Unsecured loan carry interest rate @11% p.a.

Note 18 - Other Financial Liabilities	As at	As at
Non-current	31st March, 2022	31st March, 2021
Lease Liability	-	0.33
<b>Total</b>	<b>-</b>	<b>0.33</b>
<b>Current</b>		
Lease Liability	0.60	57.85
<b>Total</b>	<b>0.60</b>	<b>57.86</b>
<b>Note 19 - Provisions</b>		
<b>Non-current</b>		
Employee Benefits		
Provision for Gratuity	20.85	28.83
Provision for leave benefit	-	2.85
<b>Total</b>	<b>20.85</b>	<b>31.68</b>
<b>Current</b>		
Employee Benefits		
Provision for Gratuity	31.56	20.44
Provision for leave benefit	7.36	2.59
<b>Total</b>	<b>38.92</b>	<b>23.03</b>
<b>Note 20 - Deferred Tax Liabilities (Net)</b>		(Rs. In Lakhs)
The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet		
Deferred Tax Asset	-	-
Deferred Tax Liability	45.63	28.25
<b>Total</b>	<b>45.63</b>	<b>28.25</b>

Particulars	Opening Balance	(Credit) / Charge in statement of Profit	Closing Balance
<b>For 2021-22</b>			
Deferred tax assets / (liabilities) in relation to:			
On account of Allowances under Income Tax Act	(1.62)	(1.62)	-
On account of Employee Benefits	14.67	(1.29)	15.96
Property, plant and equipment	(21.87)	(1.55)	(20.32)
Fair Valuation of Investment	(19.43)	21.84	(41.27)
<b>Total</b>	<b>(28.25)</b>	<b>17.38</b>	<b>(45.63)</b>
<b>For 2020-21</b>			
Deferred tax assets / (liabilities) in relation to:			
On account of Allowances under Income Tax Act	(1.41)	0.21	(1.62)
On account of Employee Benefits	14.13	(0.54)	14.67
Property, plant and equipment	(23.59)	(1.72)	(21.87)
Fair Valuation of Investment	-	19.43	(19.43)
<b>Total</b>	<b>(10.87)</b>	<b>17.37</b>	<b>(28.24)</b>

<b>Note 22 - Trade payables</b>		
MSME (Refer Footnote)	1.25	67.09
Other than Acceptances	122.02	144.37
<b>Total</b>	<b>123.27</b>	<b>211.46</b>

**Outstanding for following periods from transaction date for the year ended March 2022.**

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.25	-	-	-	1.25
(ii) Others	115.42	3.87	-	-	119.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	2.49	0.24	2.73

**Outstanding for following periods from transaction date for the year ended March 2021.**

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	67.09	-	-	-	67.09
(ii) Others	140.71	0.69	0.24	-	141.64
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	2.49	0.24	-	2.73

**Footnote:**

Trade payables are non interest bearing and normally settled on 30 to 90 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.

	As at 31st March, 2022	As at 31st March, 2021
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>	1.25	67.09
<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	-	-

<b>Note 23 - Other current liabilities</b>		
Advance from customers	1.42	15.94
Other payables	131.34	61.89
<b>Total</b>	<b>132.76</b>	<b>77.83</b>
<b>Note 24 - Current tax Liabilities (Net)</b>		
Provision for Tax	110.25	111.30
Less: Advance Tax	105.08	80.70
<b>Total</b>	<b>5.17</b>	<b>30.59</b>

Income Tax expenses	(Rs. In Lakhs)	
Current Tax	31-Mar-22	31-Mar-21
Tax for the year	110.25	111.30
Tax in respect of earlier years	4.19	4.25
Total Current Tax Expenses	<b>114.43</b>	<b>115.55</b>
Deferred Tax Expenses / (Income)	(4.47)	(2.05)
<b>Income Tax expense</b>	<b>109.97</b>	<b>113.50</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate</b>		
Profit for the Year	412.09	458.55
Applicable Rate of Tax		
Income tax expense calculated at 25.168% (P.Y. @25.168%)	103.71	115.41
Effect of expenses that are not deductible in determining taxable profit	26.62	25.42
Effect of expenses / Income that are deductible in determining taxable profit due to timing difference / other head of income	(19.59)	(46.12)
Effect of income that is exempt from taxation		
Capital gains (Differential tax rate)	-	15.90
Effect on deferred tax due to timing difference	(4.47)	(2.05)
Adjustments for current tax of prior periods	4.19	4.25
Others	(0.50)	0.69
	<b>109.97</b>	<b>113.50</b>

(Rs. In Lakhs)

Particulars	For the Year ending 31st March, 2022	For the Year ending 31st March, 2021
<b>Note 25 - Revenue from Operations</b>		
Sale of Goods	11,934.85	9,527.81
Sale of Services	0.24	-
<b>Total</b>	<b>11,935.09</b>	<b>9,527.81</b>
	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>Particulars</b>		
Revenue from customers	11,935.09	9,527.81
Other operating revenue	-	-
<b>Total revenue from operations</b>	<b>11,935.09</b>	<b>9,527.81</b>
India	11,935.09	9,527.81
Outside India	-	-
<b>Total revenue from operations</b>	<b>11,935.09</b>	<b>9,527.81</b>
<b>Timing of revenue recognition</b>		
At a point in time	11,935.09	9,527.81
<b>Total revenue from operations</b>	<b>11,935.09</b>	<b>9,527.81</b>
<b>Contract Balances</b>		
<b>Particulars</b>		
Trade Receivables (Gross) (refer note 10)	1,289.95	1,224.71
<b>Contract liabilities</b>		
Advance from customers (refer note 23)	1.42	15.94
<p>The credit period on sales of goods ranges from 90 days with or without security.</p> <p>As at 31 March 2022, Rs.Nil (As at 31 March 2021 Rs. Nil) was recognised as provision for allowance for doubtful debts on trade receivables.</p> <p>Amount of revenue recognized from amounts included in the contract liabilities for Rs.15.94 Lakhs during the FY 2021-22 (During the year 2020-21 Rs.13.23 Lakhs )</p> <p>Out of the total contract liabilities outstanding as on 31 March 2022, Rs.1.42 Lakhs will be recognized by 31 March, 2023.</p>		
<b>Note 26 - Other Income</b>		
Dividend Received	-	-
Profit on redemption of Mutual Fund	-	105.99
Other Income	-	1.93
Interest Received	54.26	37.31
Finance Income (Ind-As)	0.22	-
<b>Total</b>	<b>54.48</b>	<b>145.23</b>
<b>Note 27 - Costs of Material Consumed</b>		
Opening Stock of Raw Material	570.62	79.51
Purchases including Expenses	10,020.56	7,954.40
	<b>10,591.18</b>	<b>8,033.91</b>
Less : Sales of Raw Material	-	-
Less: Closing Stock of Raw Material	(182.18)	(570.62)
<b>Total</b>	<b>10,409.01</b>	<b>7,463.29</b>
<b>Note 28 - Purchases of Stock-in-Trade</b>		
Purchases of Stock	34.39	59.03
<b>Total</b>	<b>34.39</b>	<b>59.03</b>

<b>Note 29 - Changes in Inventories of Stock-in-Trade &amp; Finished Goods</b>		
Opening Stock of Finished Goods	96.99	409.36
Less : Closing Stock of Finished Goods	(594.04)	(96.99)
<b>Total</b>	<b>(497.05)</b>	<b>312.37</b>
<b>Note 30 - Employee Benefits Expense</b>		
Salaries, bonus, etc	216.89	214.56
Contribution to provident and other funds	8.38	7.71
Staff welfare expenses	5.42	3.44
	<b>230.69</b>	<b>225.71</b>
<b>Note 31 - Finance Costs</b>		
Interest Expense	67.57	78.98
<b>Total</b>	<b>67.57</b>	<b>78.98</b>
<b>Note 32 - Depreciation and Amortisation Expenses</b>		
Depreciation on property, plant and equipment	71.55	75.69
Depreciation on Intangible Asset	0.36	0.36
<b>Total</b>	<b>71.91</b>	<b>76.05</b>
<b>Note 33 - Other Expenses</b>		
Consumption of Stores & Spare Parts	131.14	85.40
Power & Fuel	476.48	313.49
<u>Repairs &amp; Maintenance to</u>		
Plant & Machinery	6.90	5.70
Building	13.95	4.05
Others	24.44	2.51
Finished Goods Expenses	4.81	4.90
Rent Paid	0.32	0.48
Bank Charges & Interest on LC Disc.	11.03	4.12
FG Outward Transportation Charges	231.15	254.14
Cash Discount	157.30	167.73
Factory Operating Expenses	26.32	22.34
Professional charges	38.59	40.82
Contractors Payments	73.79	62.38
Director Sitting Fees	0.20	0.24
Other Miscellaneous Expenses	62.02	28.26
<u>Payment to Auditors</u>		
Audit Fees	1.00	1.00
Tax Audit Fees	0.75	0.75
Certification Work	0.75	0.75
<b>Total</b>	<b>1,260.95</b>	<b>999.06</b>

Footnote:

#### Corporate Social Responsibility

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Gross amount required to be spent by the company during the ye	12.45	13.54
Amount spent during the year on:	12.45	13.57
Construction/acquisition of any asset	-	-
On purposes other than (i) above	12.45	13.57

#### The additional disclosures included with regard to CSR activities are summarized below:-

The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year;  
The total of previous years' shortfall / (Excess) amounts;  
The reason for above shortfalls by way of a note;  
(Excess) / Shortfall Payment at the end of the year

(0.03)	(0.03)
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The nature of CSR activities undertaken by the Company.

Poverty &  
Malnutrition, Animal  
Welfare and Health  
care and medical  
facilities

**SHARDA ISPAT LIMITED, NAGPUR**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**
**Note 34 - Earnings Per Share (EPS)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Basic Earning Per Share	5.95	6.80
Diluted Earnings Per Share	5.95	6.80
<b>34.1 Basic EPS</b>		
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. (Rs. In Lakhs)	302.12	345.04
<b>Earnings used in the calculation of basic earnings per share</b>	302.12	345.04
Weighted average number of equity shares for the purposes of basic earnings per share (Nos. in Lakhs)	50.77	50.77
<b>Basic EPS</b>	5.95	6.80
<b>34.2 Diluted EPS</b>		
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 (Rs. In Lakhs)	302.12	345.04
<b>Earnings Used in calculation of Diluted earnings per share (Rs. In Lakhs)</b>	302.12	345.04
<b>Diluted EPS</b>	5.95	6.80



	(Rs. In Lakhs)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Note 35 - Post Retirement Benefit Plans</b>		
<b>The Principal assumptions used for the purpose of the actuarial valuations were as follows,</b>		
<b>Gratuity:</b>		
Discount Rate	5.15%	5.59%
Expected rate of salary increase	6%	6.00%
Expected average remaining service	2.65%	4.03
<b>Service cost</b>		
Current service cost	3.69	3.81
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	2.18	2.25
<b>Component of defined benefit cost recognised in profit or loss</b>	<b>5.87</b>	<b>6.06</b>
Actuarial (gains) / losses for the period	1.05	(7.94)
<b>Component of defined benefit cost recognised in other comprehensive income</b>	<b>1.05</b>	<b>(7.94)</b>
<b>Total</b>	<b>6.93</b>	<b>(1.88)</b>
<b>Amount to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
Present value of funded defined benefit obligation	52.40	49.27
Fair value of plan assets	-	-
<b>Funded status</b>	<b>(52.40)</b>	<b>(49.27)</b>
Restriction on asset recognised others (describe)		
<b>Net liability arising from define benefit obligation</b>		
<b>Movement in PV of defined benefit obligation</b>		
Opening define benefit obligation	49.27	51.15
Current service cost	3.69	3.81
Interest cost	2.18	2.25
<b>Remesaurement (gains) / (losses):</b>		
Actuarial gains and losses arising from changes in demographic assumption	-	-
Actuarial (gains) and losses arising from changes in financial assumption	0.41	-
Actuarial (gains) and losses arising from changes in experience adjustment	(1.47)	(7.94)
Benefits paid	(1.69)	-
<b>Closing define benefit obligation</b>	<b>52.40</b>	<b>49.27</b>
<b>Movements in fair value of plan asstes</b>		
Opening fair value of plan assets	-	-
Contribution from employer	1.69	-
Benefits paid	(1.69)	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>
<b>Asset Information:</b>		
Gratuity Fund	-	-
<b>Expected Payout:</b>		
	<b>PVO Payout</b>	<b>PVO Payout</b>
Expected Outgo First Year	31.56	20.44
Expected Outgo Second Year	3.53	8.64
Expected Outgo Third Year	5.22	3.75
Expected Outgo Fourth Year	4.17	4.95
Expected Outgo Fifth Year	1.84	2.79
Expected Outgo Sixth to Tenth Years	9.52	11.08
<b>Sensitivity Analysis:</b>		
As of 31st March, 2022, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.51.48 Lakhs		
As of 31st March, 2022, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.53.39 Lakhs		
As of 31st March, 2022, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs.53.32 Lakhs		
As of 31st March, 2022, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs.51.53 Lakhs		
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, 2023 is Rs. 3.53Lakhs.		
<b>Narrations:</b>		
<b>1 Analysis of Defined Benefit Obligation</b>		
The number of members under the scheme have decreased by 13.51%. The total salary has decreased by 6.44% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 6.36%.		
<b>2 Expected rate of return basis:</b>		
Scheme is not funded EORA is not applicable.		
<b>3 Description of Plan Assets and Reimbursement Conditions</b>		
Not applicable		
<b>4 Investment / Interest Risk</b>		
Since the scheme is unfunded the Company is not exposed to Investment / Interest risk.		
<b>5 Longevity Risk</b>		
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.		
<b>6 Salary Escalation Rate</b>		
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.		
<b>7 Discount Rate</b>		
The discount rate has decreased from 5.59% to 5.15% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.		

**Note 36- Contingent Liability.****(Rs. In Lakhs)**

Particulars		31st March, 2022	31st March, 2021
a)	Central Excise Duty Matter	19.64	19.64
b)	Income Tax Matter	1.53	1.53

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

## Note 37- Related Parties Disclosures

## A. Key Management Personnel

- 1 Shri Nandkishore Sarda
- 2 Smt. Poonam Sarda

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

- 1 Asha Agriculture & Properties Pvt. 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

(Rs. In Lakhs)				
Particulars	Key Management Personnel	Relatives of key Managerial Personnel	Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence)	
<b>1 Directors Remuneration</b>				
Nandkishore Sarda	36.00	-	-	
	(36.00)	(-)	(-)	
Poonam Sarda	30.00	-	-	
	(30.00)	(-)	(-)	
<b>2 Rent Paid</b>				
Ashadevi Sarda	-	0.24	-	
	-	(0.24)	(-)	
Sharda Ispat Industries Ltd.	-	-	62.21	
	(-)	(-)	(57.60)	
<b>3 Receiving of Services</b>				
Anand Sarda	-	8.40	-	
	(-)	(8.40)	(-)	
<b>4 Sales of Material / Services</b>				
Shardashree Ispat Ltd	-	-	0.26	
	(-)	(-)	(43.38)	
Sharda Auto Industries Ltd	-	-	2,020.55	
	(-)	(-)	(1,410.56)	
Indigo Denim Pvt Ltd	-	-	-	
	(-)	(-)	-	
<b>5 Receiving of Services</b>				
Sharda Dharamkata	-	-	1.80	
	(-)	(-)	(1.80)	
<b>6 Interest Paid</b>				
NK Sarda	-	-	-	
	-	(-)	(-)	
In Link Capital Services Pvt Ltd	-	-	-	
	(-)	(-)	-	
Shardashree Ispat Ltd	-	-	9.74	
	(-)	(-)	-	
<b>7 Interest Received</b>				
Kyoto Merchandise Pvt Ltd	-	-	46.05	
	(-)	(-)	(31.93)	
<b>8 Purchases of Goods</b>				
Shardashree Ispat Ltd	-	-	19.84	
	(-)	(-)	(5.95)	
Indigo Denim Pvt Ltd	-	-	0.02	
	(-)	(-)	(0.05)	
<b>9 Unsecured Loan Repaid</b>				
N K sarda	-	-	-	
	(0.04)	(-)	(-)	
Navdeep Agriculture & Properties P Ltd	-	-	-	
	(-)	(-)	-	
In Link Capital Services Pvt Ltd	-	-	-	
	-	-	-	
Shardashree Ispat Ltd	-	-	336.97	
	(-)	(-)	(0.04)	
<b>10 Unsecured Loan Granted</b>				
Kyoto Merchandise Pvt Ltd	-	-	160.00	
	(-)	(-)	(898.75)	
<b>11 Unsecured Loan Refunded</b>				
Kyoto Merchandise Pvt Ltd	-	-	136.61	
	(-)	(-)	(1,285.39)	
<b>12 Unsecured Loan Received</b>				
Shardashree Ispat Ltd	-	-	595.00	
	-	(-)	(-)	

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
<b>A) Others (Firms, Company &amp; Proprietorship Concern in which directors and their relatives have significant influence)</b>		
<b>1 Unsecured Loan Receivable</b>		
Kyoto Merchandise Pvt Ltd	676.26	606.81
<b>2 Trade Receivables</b>		
Sharda Auto Industries Ltd	546.92	494.76
Indigo Denim Pvt. Ltd.	-	-
<b>3 Trade Payables</b>		
Sharda Dharamkata	1.76	1.77
Sharda Ispat Industries Ltd.	9.29	6.33
Anand Sarda	-	0.65
<b>4 Unsecured Loan Payable</b>		
Shardashree Ispat Ltd	267.77	-

Note:

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

**Note 38 - 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 and investment in equity oriented mutual fund.

**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.

**Trade and other Receivables**

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data and financial position of party and chances of recovery, provision has been considered and created, wherever necessary.

(Rs. In Lakhs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Ageing of Trade receivables		
0-30 days	813.68	968.56
30-60 days	290.36	202.03
60-180 days	185.91	54.13
<b>Total</b>	<b>1,289.95</b>	<b>1,224.72</b>

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

**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, 2022		(Rs. In Lakhs)			
Particulars	0-1 Years	1-5 Years	Above 5 Years	Total	
long term borrowings	-	-	-	-	
short term borrowings	760.47	-	-	-	760.47
trade payable	123.27	-	-	-	123.27
other financial Liabilities	0.60	-	-	-	0.60
	884.34	-	-	-	884.34
As at March 31, 2021		(Rs. In Lakhs)			
Particulars	0 - 1 Years	1-5 Years	Above 5 Years	Total	
Long term borrowings	-	-	-	-	-
Short term borrowings	788.69	-	-	-	788.69
Trade Payable	211.46	-	-	-	211.46
Other Financial Liabilities	57.86	-	-	-	57.86
<b>Total</b>	<b>1,058.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,058.01</b>

**Note 39 - IndAS 116 Leases**

The Company's lease asset primarily consist of leases for buildings (premises) for office premises having various lease terms. The Company has adopted Ind AS 116, 'Leases', effective 1st April 2019, using modified retrospective approach, as a result of which comparative information are not required to be restated.

The maturity analysis of lease liabilities are disclosed as follows,

Particulars	(Rs. In Lakhs)		
	Less than 1 year	1 to 5 years	Total
<b>As at March 2022</b>			
Finance lease (Discounted)	0.60	-	0.60
<b>As at March 2021</b>			
Finance lease (Discounted)	57.85	0.33	58.17

The Balance sheet discloses the following amounts relating to leases:

	As at 31st March, 2022	As at 31st March, 2021
<b>Right-of-use assets</b>		
Buildings	0.26	51.24
<b>Lease Liabilities</b>		
Current	0.60	57.85
Non Current	-	0.33

**Amounts recognised in statement of profit and loss:**

Interest Expense included in Finance Cost	68.24	10.74
Depreciation charged on Right of Use Assets	50.98	50.98
Expense Relating to Short Term Leases/low-value assets	0.32	0.48
Additions to the right of use assets during the current financial year	-	-
Total cash outflow for leases during financial year (excluding short term leases)	57.57	50.65

**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	(Rs. In Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Borrowings including current maturities	760.47	788.69
Total Debt	760.47	788.69
Less: Cash and cash equivalents	105.17	0.72
<b>Net Debt (A)</b>	<b>655.30</b>	<b>787.97</b>
Equity Share Capital	507.68	507.68
Other Equity	2728.53	2256.28
<b>Total Equity (B)</b>	<b>3,236.21</b>	<b>2,763.96</b>
<b>Debt Equity Ratio (A/B)</b>	<b>0.20</b>	<b>0.29</b>

**Net Debt Reconciliation:**

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents	105.17	0.72
Current borrowings	(760.46)	788.69
Interest on above borrowings	-	-
Lease Liability	(0.61)	(58.18)
<b>Net debt</b>	<b>(655.90)</b>	<b>731.23</b>

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Current borrowings	Interest on above borrowings	Lease Liability	Total
<b>Net Debt as at March 31, 2021</b>	<b>0.72</b>	<b>788.69</b>	<b>-</b>	<b>(58.18)</b>	<b>731.23</b>
Cash flows	104.45	(1,549.14)	-	57.57	(1,387.12)
Non cash movement: Acquisitions/ disposals	-	-	-	-	-
Interest expense	-	-	67.57	0.33	67.90
Interest paid	-	-	(67.57)	(0.33)	(67.90)
<b>Net Debt as at March 31, 2022</b>	<b>105.17</b>	<b>(760.46)</b>	<b>-</b>	<b>(0.61)</b>	<b>(655.90)</b>

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Current borrowings	Interest on above borrowings	Lease Liability	Total
<b>Net Debt as at March 31, 2020</b>	<b>1.16</b>	<b>(602.36)</b>	<b>-</b>	<b>(108.83)</b>	<b>(710.03)</b>
Cash flows	(0.44)	1,391.05	-	50.65	1,441.26
Non cash movement: Acquisitions/ disposals	-	-	-	-	-
Interest expense	-	-	(68.24)	(10.74)	(78.98)
Interest paid	-	-	68.24	10.74	78.98
<b>Net Debt as at March 31, 2021</b>	<b>0.72</b>	<b>788.69</b>	<b>-</b>	<b>(58.18)</b>	<b>731.23</b>

#### Note 41 - Fair Value measurement

(Rs. In Lakhs)

Particulars	31st March, 2022		31st March, 2021	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
<b><u>Financial Assets</u></b>				
Investments	901.83	32.63	710.91	32.63
Trade receivables		1289.95	-	1,224.71
Cash and cash equivalents		105.17	-	0.72
Bank balances other than above		4.03	-	22.91
Loans		677.60	-	607.39
Other financial assets		82.00	-	61.32
<b>Total</b>	<b>901.83</b>	<b>2,191.38</b>	<b>710.91</b>	<b>1,949.68</b>
<b><u>Financial Liabilities</u></b>				
Borrowings		760.47	-	788.69
Trade payables		123.27	-	211.46
Other Financial liabilities		0.60	-	58.18
<b>Total</b>		<b>884.34</b>	<b>-</b>	<b>1,058.33</b>

The company has fair valued its Equity investment (through Mutual Fund) through OCI based on quoted prices of such investments in active market. Hence it falls under level 1 valuations technique.

#### Note 42

The spread of COVID-19 has severely impacted business. There had been severe disruption of regular business operations in the first quarter of the financial year due to lock down, disruption in transportation, supply chain, travel bans and other emergency measures. The Company has put in place significant safeguards for the safety of the employees based on various Government advisories. The Company believes that it has taken into consideration all the possible impacts of known events arising from COVID-19 pandemic in the preparation of standalone financial statements.

**SHARDA ISPAT LTD., NAGPUR****Notes forming part of the Financial Statements for the year ended 31st March, 2022****Note 43 Analytical Ratios**

Sr no.	Ratios Applicable	Formula	March 31, 2022	March 31, 2021	Variance (in %)	Remarks
1	Current ratio (in times)	Current assets/Current Liability	3.00	2.51	19.52%	
2	Debt : Equity Ratio (in times)	Debt/ Equity	0.23	0.29	-17.65%	
3	Debt Service Coverage ratio (in times)	Earnings available for debt service/Debt Service	4.26	4.58	-6.99%	
4	Return on Equity Ratio (in %)	Net Profits after taxes – Preference Dividend (if any) /Average Shareholder's Equity	10.07	13.74	-26.70%	Ratio has decreased due to lower margin on sales
5	Inventory Turnover ratio (in times)	Cost of goods sold OR sales / Average Inventory	15.56	15.10	3.03%	
6	Trade Receivable Turnover Ratio (in times)	Net Credit Sales / Avg. Accounts Receivable	9.49	8.94	6.24%	
7	Trade Payable Turnover Ratio (in times)	Net Credit Purchases / Average Trade Payables	59.87	44.23	35.35%	Ratio has increased as trade payable is kept at a lower level
8	Net Capital T/o Ratio (in times)	Net Sales/Average Working Capital	6.11	5.08	20.11%	
9	Net Profit Ratio (in %)	Net profit/ Net Sales	2.53	3.62	-30.10%	Ratio has decreased due to lower margin on sales
10	Return on capital employed (in %)	EBIT/Capital Employed	11.87	15.01	-20.95%	
11	Return on Investment (in %)	Net Profit/ Cost of the Investments	22.76	31.96	-28.79%	Ratio has decreased due to less appreciation in equity oriented mutual fund

**Note 44 Other Statutory Information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax
- The Company has not been declared as Willful defaulter by any Banks, Financial institution or Other lenders.

**Note 45**

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 46**

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

**Panpaliya Taori and Co.**  
Firm Registration No. 125508W  
Chartered Accountants

**(Nandkishore Sardar)**  
(Chairman cum Managing Director)  
(DIN 00229911)

**(Amit Mundada)**  
(Company Secretary)

**CA. Ritesh Panpaliya**  
Partner  
Membership No.115665

**(Poonam Sardar)**  
(Whole Time Director & CFO)  
(DIN 00190512)

**Nagpur**  
**Dated:- 30th May 2022**

**Nagpur**  
**Dated:- 30th May 2022**

**Annual Report on Corporate Social Responsibility (CSR) Activities  
(Pursuant to Rule 8 of Companies (Accounts) (Corporate Social Responsibility  
Policy) Rules, 2014)  
For the Financial Year 31<sup>st</sup> March, 2022.**

**1. Brief outline of the Company's CSR Policy**

CSR Policy provides a guideline of the methodologies and areas for choosing and implementing the Company's CSR Projects. The major sections covered under the said Policy include Education, Health Care, Rural Infrastructure, Sanitation and Self-employment Generation, Vocational Skills, Empowerment of Women and Youth, Environment Sustainability, Protection and Development of National Heritage, Art Culture, Public Libraries, Social Causes & Disaster Management.

**2. Composition of CSR Committee:**

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

Sr. No .	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Nandkishore Sarda	Managing Director (Chairman)	2	2
2	Shri. Rajendra Prasad Mohanka	Independent Director (Member)	2	2
3	Shri. Ramesh Mantri	Independent Director (Member)	2	2

3. The CSR Policy of the Company is displayed on Company's website link- <http://shardaispat.com/investor/policy>.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):- **Not applicable for Financial Year 2021-22.**
5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:



## Annexure 1 to Board's Report

Sr.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2021-22	Not applicable	Not applicable

6. Average net profit of the Company as per Section 135 (5): Rs. 6,22,31,222/-

7	(a)	Two percent of average net profit of the Company as per Section 135 (5)	Rs. 12,44,624
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c)	Amount required to be set off for the financial year, if any	Nil
	(d)	Total CSR obligation for the financial year (7a+7b-7c)	Rs. 12,44,624

8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 12,45,000	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1) Sr.No.	(2) Name of the project	(3) Item from the list of activities	(4) Local area (Yes/No)	(5) Location of the project		(6) Project Duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR	(10) Mode of implementation Direct (Yes/No)	(11) Mode of implementation Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-

## Annexure 1 to Board's Report

(c). Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule vii to the Act	(4) Loca l area (Yes /No)	(5) Location of the project		(6) Amount spent in the current financial Year (in Rs.)	(7) Mode of imple menta tion – Direct (Yes/ No)	(8) Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Regist ration No.
1.	Animal Welfare	Providing food, shelter and care to Cows scheduled VII (iv)	Yes	Maharashtra	Nagpur	2,45,000	No	Ujjawal Gorakshan Trust	CSR00020687
2.	Health care and medical facilities	promotion of health care including preventive health care and sanitation (i) of Schedule VII	Yes	Maharashtra	Nagpur	10,00,000	No	Swami Vivekanand Medical Mission	CSR00005068
	<b>Total</b>					<b>12,45,000</b>			

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 12,45,000

(g) Excess amount for set off, if any : NIL

## Annexure 1 to Board's Report

Sr.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135 (5)	12,44,624
(ii)	Total amount spent for the Financial Year	12,45,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	376
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

### 9. (a) Details of Unspent CSR amount for the preceding three financial year(s):

Sr.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1.	2018-19	Not Applicable					
2.	2019-20						
3.	2020-21						

### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceeding financial year (s):

(1) Sr. No.	(2) Project ID	(3) Name of the project	(4) Financial year in which the project was commen ced	(5) Project duration	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reportin g Financial Year (In Rs.)	(8) Cumulativ e amount spent at the end of reporting Financial Year.	(9) Status of the project - complet ed/ ongoing
NIL								

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

**(Asset-wise details): Not Applicable**

- (a) Date of creation or acquisition of the capital asset (s). Not Applicable
  - (b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable
  - (d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Not Applicable
11. Specify the reason (s), if the Company has failed to spend two percent of the average net profit as per section 135 (5): **Not Applicable**

**Place: Nagpur**  
**Date: 12.08.2022**

**Nandkishore Sarda**  
**Chairman and Managing Director of the Company**  
**Chairman, CSR Committee**

**FORM NO. AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

<b>Sl No.</b>	<b>Particulars</b>	<b>Details</b>
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 ordinary 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.

<b>Sl No.</b>	<b>Particulars</b>	<b>Details</b>
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:	--

## Annexure 2 to Board's Report

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	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. Transaction Value not exceeding Rs. 150.00 Lakhs for each of the Financial Year
E	Date(s) of approval by the Board, if any	21-06-2021
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	Sharda Auto Industries Limited
B	Nature of contracts/arrangements/transactions	Sale of Spring Steel, Flat and 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. Transaction Value not exceeding Rs. 10,000 Lakhs
E	Date(s) of approval by the Board, if any	13-11-2020
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 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

## Annexure 2 to Board's Report

		above party on market price on time to time. Transaction Value not exceeding Rs. 3.00 Lakhs for each of the Financial Year
E	Date(s) of approval by the Board, if any	21-06-2021
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	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. Maximum Rs. 10.00 Lakhs
E	Date(s) of approval by the Board, if any	21-06-2021
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	M/s. Indigo Denim Private Limited
B	Nature of contracts/arrangements/transactions	Purchase of Cotton and denim jeans waste
C	Duration of the contracts/arrangements/transactions	During the year 2021-22
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. Transaction Value not exceeding Rs. 5.00 Lakhs for each of the Financial Year
E	Date(s) of approval by the Board, if any	21-06-2021
F	Amount paid as advances, if any:	--

**Annexure 2 to Board's Report**

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

<b>Sl No.</b>	<b>Particulars</b>	<b>Details</b>
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 2021-22
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. Transaction Value not exceeding Rs. 25.00 Lakhs for each of the Financial Year
E	Date(s) of approval by the Board, if any	14-02-2022
F	Amount paid as advances, if any:	--

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

<b>Sl No.</b>	<b>Particulars</b>	<b>Details</b>
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. 0.24 Lakhs Per Annum
E	Date(s) of approval by the Board, if any	21-06-2021
F	Amount paid as advances, if any:	--

**For and on behalf of the Board of Directors**

**Sd/-**

**Date: 12.08.2022**

**Place: Nagpur**

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



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

### (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
- Reheating of furnace modification

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

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

No technology imported during last three years.

The expenditure incurred on Research and Development.

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

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- 1. The company has not affected any import or export during the year ended 31.03.2022.
- 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 2022	March 2021
<b>D. Power and Fuel Consumption</b>		
<b>1. Electricity:</b>		
a). Purchased : Units (No.)	18,18,711	15,61,372
Total Amount (Rs.)	1,99,61,117	1,68,21,355
Average Rate/ Unit (Rs.)	10.98	10.77
b). Own Generation	Nil	Nil
<b>2. Steam Coal</b>		
Quantity (Tonnes)	2,077	2,111
Total Cost (Rs.)	2,76,86,705	1,45,27,503
Average Rate/ Tonne (Rs.)	13,332	6,883
<b>3. Furnace Oil:</b>		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate/ K. Ltrs (Rs.)	Nil	Nil
<b>4. Other / Internal Generation</b>		
Products (with details) Unit	Nil	Nil
Rolled Iron & Steel (in MT)	18,962	16,913
Electricity (in Units)	95.91	92.32
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B' Grade) (in MT) excluding Shell & Dust	0.110	0.125
Other (Specify)	Nil	Nil

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

**Date: 12.08.2022**

**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**

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 2021-22, 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:

<b>Sr. No</b>	<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director / KMP for Financial Year 2021-22 (Amount in Rs.)</b>	<b>% increase/ (decrease) in Remuneration in the Financial Year 2021-22</b>	<b>Ratio of remuneration of each Director/ to median remuneration of employees (times)</b>
1.	Shri. Nandkishore Sarda (Chairman & Managing Director)	36,00,000	No change	10.00
2.	Smt. Poonam Sarda (Whole-time Director & Chief Financial Officer)	30,00,000	No change	8.33
3.	Shri. Amit B. Mundada (Company Secretary & Compliance officer)	5,12,014	3.75%	--

2. The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 3,59,997/- per annum.
3. In the financial year 2021-22, there was increase of 12.50% in the median remuneration of employees.
4. There were 36 permanent employees on the rolls of the Company as on March 31, 2022.
5. There was an increase of 2.22% in the salaries of the employees other than the managerial personnel in the last financial year 2021-22 and no change in managerial remuneration during the same financial year.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors key managerial personnel and other employees.

**For and on behalf of the Board of Directors**

**Sd/-**

**Date: 12.08.2022**

**Place: Nagpur**

**Nandkishore Sarda**

**Chairman & Managing Director**

**DIN: 00229911**

**Address: Plot No. 32,**

**Cement Road, Shivaji Nagar,**

**Shankar Nagar, Nagpur-440010**

**"ANNEXURE – 4A"**

Statement showing the names of the top ten employees in terms of remuneration drawn  
Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the employee	Designation	Remuneration/ Salary Received	Nature of Employment	Qualifications and Experience	Date of commencement of the employment	Age	Last employment held	Percentage of equity shares held	Relationship with other Directors
1	Nandkishore Sarda	Chairman and Managing Director	36,00,000.00	Office of a Director	Bsc & 55 Years	21.11.1967	72	N.A.	6.36	YES
2	Poonam Sarda	Whole- Time Director and Chief Financial Officer	30,00,000.00	Office of a Director	CA (Inter & LLB) & 10 Years	21.01.2010	49	N.A.	2.52	YES
3	Kulwant Singh Rai	Rolling Mill Manager	24,27,237.00	Permanent Full Time	SSC and 53 years	01.06.2016	74	N.A.	NIL	NO
4	Ravi Iyer	Vice President	23,31,392.00	Permanent Full Time	Bsc,DBM and LLB 2nd Year and 43 years	01.06.2016	66	N.A.	NIL	NO
5	Anand Motghare	Assistant General Manager	7,15,087.00	Permanent Full Time	M.com 36 years	01.12.2014	60	N.A.	NIL	NO
6	C.N. Panchariya	Assistant General Manager	6,69,057.00	Permanent Full Time	BA and 30 years	01.07.1992	55	N.A.	NIL	NO
7	Singhasan Singh	Shift in-charge	6,55,239.00	Permanent Full Time	SSC and 14 years	01.05.2008	63	N.A.	NIL	NO
8	Deorao Burade	Electrician	5,25,589.00	Permanent Full Time	SSC and 19 years	01.07.2003	58	N.A.	NIL	NO
9	Amit B.Mundada	Company Secretary & Compliance officer	5,12,014.00	Permanent Full Time	BBA, MBA (Finance), CS & LLB and 8 years	01.12.2014	39	N.A.	NIL	NO
10	Sourabh Jain	Assistant Manager (Finance)	4,83,750.00	Permanent Full Time	M.com and CA 1 year	04.02.2021	31	N.A.	NIL	NO

**For and on behalf of the Board of Directors**

**Sharda Ispat Limited**

**Sd/-**

**Nandkishore Sarda**

**Chairman & Managing Director**

**DIN: 00229911**

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

**Date: 12.08.2022**

**Place: Nagpur**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31-03-2022**  
**[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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, 2022 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 31<sup>st</sup> March, 2022 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, 2018 ;(Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;(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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period); and;
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable to the Company as per their presentations made by the Company.



I have also examined compliance with the applicable clauses:-

1. The Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Limited and The Calcutta Stock Exchange Association Ltd., Calcutta read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

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 viewed on the website of the 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 and Independent Directors for the major part of the year. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice was 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:F010043D000784135  
Date :12/08/2022  
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 my 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, i 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:F010043D000784135  
Date :12/08/2022  
Place : Nagpur

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the financial year 2021-22. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. This report is an integral part of the Board's Report.

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

### **GLOBAL ECONOMY:**

The global economy staged a strong rebound at the start of Current Year 2021 driven by accelerated vaccination and opening of economies. It was short-lived, though, as rising infections and re-imposition of lockdowns dampened sentiments in the second quarter. Due to emergence of second and third wave in the world causing major disruptions including challenges to public health, lockdown measures, closure of international borders, supply chain issues etc. As the global economic recovery was gaining the recovery momentum again, rapid spread of omicron variant put the global economy in the weaker spot as it welcomed the year 2022. Adding to the pandemic dynamics, geopolitical tension in the form of Russia-Ukraine conflict, in February, 2022, triggered significant slowdown in the economic activities in major economies.

On the positive side, international trade made strong gains and services activity surprised on the upside. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) April 2022, global economic output grew 6.1% in Current Year 2021, following a 3.1% contraction in Current Year 2020. The weakness in the fourth quarter spilled over into Current Year 2022, as new virus variants emerged and localised mobility restrictions were imposed. Furthermore, the breakout of the Russia-Ukraine conflict in February 2022 kept the world on edge. The imposition of economic sanctions by US and its NATO allies on Russia pushed up global energy prices, as the country is one of the largest exporters of natural gas.

### **INDIAN ECONOMY:**

In India, Financial year 2021-22 began with quite a lot of volatility, uncertainty, complexity and ambiguity with the highly contagious and dangerous delta variant creating havoc in health system of the country. Emergence of second wave in the first quarter forced government authorities to re-introduce partial/complete lockdown like measures in the country impacting family livelihoods and economic activities. Acute shortage of oxygen in first quarter forced authorities to divert significant part of available oxygen to medical industry causing some of the industries, including steel, to shut down or lower the production for some period.

However, as the country battled out the second wave & third wave, slowly economic activities gained momentum from second quarter onwards amid various challenges like skyrocketing freight rates, fuel price increase, inflation, semiconductor shortage, rising commodity prices like coal, coke etc. Despite facing multiple headwinds, key economic indicators pointed towards a broad-based recovery. The Indian economy grew 8.7% in Financial Year 2021-22, despite a significant moderation during the fourth quarter. India's economy has shown resiliency to some extent towards ongoing Russia-Ukraine conflict situation primarily due to the conflict is limited to Ukraine region only however, some impact is visible from ongoing price volatility and availability of key raw materials like met coal, nickel etc. It is further expected to have spill-over effects in the near short term future. As per CRISIL Report India Outlook, Fiscal 2023, India's Gross Domestic Product (GDP) growth forecast is at 7.8% in financial year 2023 which will be largely dependent on infrastructure push by the government and private capital expenditure.

### **STEEL INDUSTRY:**

The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity and significant change in retail consumer behaviour mainly in automotive and construction sectors. Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel. As the year progressed, demand weakened with the slowdown witnessed in China and elsewhere, due to supply chain disruptions, increasing energy prices and omicron-related curbs. Global crude steel production reached at 1,951 MnT in 2021, which was higher by 70 MnT than 2020.

As per World Steel Association, crude steel production in India increased by 18% driven by rising demand in the country and exports. Rating agency 'India Rating' expects ongoing Russia-Ukraine conflict to impact metal and mining companies cash flow substantially in Financial Year 2023, if raw material and energy prices continue to rise beyond first quarter of Financial Year 2023. Further, due to war situation, Russia & Ukraine steel production is affected creating a space for Indian Steel manufacturers to bridge the supply gap by exporting the steel products to European countries. However, high price volatility and raw material supply uncertainty would be a significant issue. Overall, in current year 2022, the global steel industry is being impacted as steel users and producers are hit by disrupted supply chains, commodity price increase, geo-political tensions, increased freight rates, increased fuel rates, raw material shortage and price volatility, particularly, in Coking Coal, Coke and Ferro Alloys etc.

### **OPPORTUNITIES AND THREATS:**

#### **OPPORTUNITIES:**

The key opportunities, boosting the steel demand are higher spends on infrastructure and the gradual revival of the automotive sector. As per the World Steel Association (WSA) India's steel demand growth will be of the highest in 2022 at 7.5% among top

consuming nations, including China and the US. In 2022, construction and manufacturing of India will likely be supported by spending on infrastructure and a gradual revival in automotive production, with an expected improvement in semiconductor supply. Expected raw material supply constraints in the international market will result in higher domestic mining output and support the capital goods sector. In 2023 also, India's steel demand growth will be the second highest at 6% after Germany which is likely to have a better 7.6% rate of growth in demand.

The Government of India approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India for enhancing India's Manufacturing Capabilities for Advanced Automotive Products (AAT) with a budgetary outlay of Rs. 25,938 crore. The PLI Scheme for Automobile and Auto component industry proposes financial incentives to boost domestic manufacturing and attract investments in the automotive manufacturing value chain. The Government of India also launched vehicle scrappage policy on August 13, 2021. The policy is expected to boost steel consumption, to reduce pollution, create job opportunities and boost demand for new vehicles.

#### **THREATS:**

The Indian steel industry has been facing tough times in running their operations due to increase in raw material cost, especially coke and price increase from the customers was not linear to increase in raw material costs leading to erosion of profits. Steel demand is affected by high inflation, especially for energy and commodities, trade barriers and protectionist policies. Re-imposition of mobility restrictions amidst spread of new variants may also affect demand and supply chains potentially impacting sales. As a result of the Russia-Ukraine conflict, therefore, there have been significant supply disruptions and upward price pressures and volatility in steel prices, coking coal, iron ore, freight and natural gas.

Inflation concerns have been mounting globally particularly in the US and Europe. The recent war in eastern Europe has also disrupted supply chains and led to heightened volatility in financial markets which has further exacerbated the inflation concerns. Overall, in Current year 2022, the steel industry is being impacted as steel users and producers are hit by disrupted supply chains, commodity price increase, geo-political tensions, increased freight rates, increased fuel rates, raw material shortage and price volatility, particularly, in Coking Coal, Coke and Ferro Alloys etc.

#### **SEGMENTWISE OR PRODUCT-WISE PERFORMANCE:**

The Company operates in only one segment, i.e. iron & steel. During the financial year 2021-22, the company achieved production of steel product as under:

Own Unit – 19,073.590 MT (Previous Year 16,913 MT)  
Sales (Rs.) – 11,935.09 Lakhs (Previous Year 9,527.81 Lakhs)  
Conversion Service (MT) – Nil (Previous Year Nil)  
Sales (Rs.) – Nil (Previous Year Nil)

## **OUTLOOK FOR STEEL INDUSTRY:**

As per World Steel Association Short Range Outlook published in April, 2022, demand for current year 2022 to increase by mere 0.4% while it is forecasted to increase by 2.2% in current year 2023. However, steel demand in India is forecasted to grow at 7.5% and 6% in current year 2022 & current year 2023 respectively showing strong outlook for Indian Steel industry in near future. High and Volatile Coal & Coke Prices, the prices of Hard Coking Coal increased sharply to 4.5 times during financial year 2021-22. Steel industry profitability is expected to sustain assuming Russia-Ukraine war remain confined to Ukraine and situation does not deteriorate further. Steel demand in India is forecasted to grow at 7.5% and 6% in current year 2022 & current year 2023 respectively showing strong outlook for Indian Steel industry in near future..

Construction and manufacturing industry is likely to be supported by increased spending on infrastructure by government. Hence, gradual revival of Auto considering pent-up demand, increased activities in construction and industrial sector will sustain demand for Steel products in the country. While there are specific challenges being faced by steel industry in India, overall demand & sentiments about steel industry are bullish and hence substantial fund inducement and increase in capital investment is expected by private sector. Various Government Initiatives like Production Linked Incentive schemes for especially steel & Vehicle scrappage policy are expected to boost the production. Raw material shortage and price volatility may continue to disrupt overall supply chain in near short term and may impact the profitability of the steel manufacturers. However, as and when the geo-political situation is eased out, the situation is expected to come back to normalcy. Given the above scenario, it is important to focus on cost reduction, better management of volatile prices, quality improvement, tapping export opportunities, raw material security and to remain competitive in current market.

## **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.

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.

During the year under review, the Company continued to be vigilant of the evolving pandemic situation to proactively manage risks. Health and safety of employees and the communities in the vicinity of the Company's operations remained the top-most priority for the Company, whilst simultaneously ensuring continuity of our business operations.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal control systems is an integral part of any organization to safeguard its assets & interests and the Company always puts greater emphasis on strengthening and reviewing its control systems in place for continuous improvement. The Company has in place an adequate system of internal control commensurate with its size, scale and complexity of its operations. 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.

The internal control system is supplemented by internal audits and its review by the management on a periodic basis. The 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. Such audit ensures and evaluates the effectiveness of the internal control structure on a regular basis. The scope and authority of the internal activity are approved by the Audit Committee. The Internal Auditor reports directly to the Audit Committee of the Board. Based on the report of the Internal Auditor, process owners undertake corrective actions in their respective areas and thereby strengthen the control. 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.

#### **DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the fiscal year 2021-22, the Company achieved the sales turnover of Rs. 11,935.09 Lakhs {(Rs. 11,935.09 Lakhs (18,164.955 MT) as against Rs. 9,527.81 Lakhs (17,383.880 MT)} during the previous year. After providing depreciation of Rs. 71.90 Lakhs in the CY and Rs. 76.05 Lakhs in the PY and Rs. 67.57 Lakhs in the CY and Rs. 78.98 Lakhs in the PY towards interest and further adjusting Rs. 109.97 Lakhs for taxation (net), the Company

posted a net profit after tax of Rs. 302.12 Lakhs as against Rs. 345.04 Lakhs during the last year. During the year, the operational performance of the Company has decreased. In terms of volume it was increased. Indian economy continued to face difficulties in year 2021-22 as COVID 19 continue to create havoc in healthcare system of the country with emergence of Second Wave and Third Wave. Emergence of Second Wave forced government authorities to re-introduce lockdown like measures which impacted economic activities.

During first quarter, with emergence of Second Wave, significant part of the oxygen was diverted to fulfill medical needs, which led many industries including steel to shut down or lower its production. In the Financial Year 2021-22, steel industry was severely hit by increase in raw material cost, especially coke and price increase from the customers was not linear to increase in raw material costs leading to erosion of profits. In spite of such volatile and complex situation, the company earned a net profit after tax of Rs. 302.12 Lakhs.

Economic Activities picked up from second quarter onwards as COVID 19 Second Wave situation came in control. However, economy was grappled with several issues including rising commodity prices, increased freight rates, raw material shortage etc. As per SIAM statistics data, Automobile sales (domestic & export), particularly hit by semiconductor shortage, has grown by 2% in FY 2021-22 after contracting by 13% and 15% in FY 2020-21 & FY 2019-20 respectively.

While Auto sales exhibited a sign of recovery in financial year 2021-22, industry as a whole, is yet to reach its Pre-Covid level. With expected improvement in semiconductor chip supply, Automobile sales are also expected to improve in financial year 2022-23 and hence the Company's business situation further in financial year 2022-23.

#### **INITIATIVES TAKEN BY THE COMPANY:**

The Company is committed to create more value for all of its stakeholders. The Company's various functional teams have taken some remarkable initiatives to not only strengthen its profitability in near future but also to gain medium to long-term competitive advantage over its peers. In a significant move towards backward integration to add value to the current operations and to aid the Company by providing the raw material, the sharda group is expected to commission it's under construction billet manufacturing plant in financial year 2023. The billet so produced shall be used for captive consumption and the surplus, if any, will be sold to external agencies. The benefits of such initiatives are the dependency on other supplier of raw material will be reduced. The availability of raw material will be in our control. In the group company, we are venturing into a steel making facility which will supply the billet i.e. raw material to Sharda Ispat Limited.



**KEY FINANCIAL RATIOS:**

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

<b>Ratios</b>	<b>Units</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>Change (%)</b>	<b>Explanation for Significant changes</b>
Debtors Turnover Ratio	Times	9.49	8.94	6.24%	
Inventory Turnover Ratio	Times	15.56	15.10	3.03%	
Interest Coverage Ratio	Times	7.10	6.81	4.30	
Current Ratio	Times	3.00	2.51	19.52%	
Debt Equity Ratio	Times	0.23	0.29	-17.65%	
Operating Profit Margin	%	0.14	0.13	3.64	
Net Profit Margin	%	2.53	3.62	-30.10	Ratio has decreased due to lower margin on sales.
Return on Net worth	%	10.07	13.74	-26.70%	Ratio has decreased due to lower margin on sales.

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

The Company recognizes the importance of human resources in realizing its growth ambitions and believes in nurturing talent within the organisation to take up leadership positions. The Company believes that human capital is a critical factor of success and hence constantly strives to strengthen its work ethics, work culture and align the workforce towards the common goal. Current workforce of the Company is rightly poised to navigate through the current volatile, uncertain, complex situation and to maintain industry leading quality standards at all times while maintaining the highest service levels.

The Company continues to focus on upgrading knowledge and skill levels among its employees through various learning & development, training activities to enable them to move up the ladder. The Company has well defined HR policies in place which enables it to build a strong performance oriented culture, belongingness to work and commitment to work.

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 31.03.2022, the total number of employees employed by the Company was 36 (thirty six).

## **CAUTIONARY STATEMENT**

The below 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.

## **REPORT ON CORPORATE GOVERNANCE**

### **1. CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is an ethically driven business process that is committed to aim at enhancing the image of the organization. Our Company is committed to the following core values:

- a. **Transparency** - We believe in dissemination of information on time and in transparent manner.
- b. **Internal control** – The Company has developed the system to control all the activities.
- c. **Quality** - The Company is committed to supply high quality materials to our customers.
- d. **Duty towards Society** – The Company understands duties toward society and undertaking various Corporate Social Responsibility activities.
- e. **Growth** - The Board shall oversee the performance of the Company and should ensure shareholders protection and maximization of their long term values.

Further, the Company believes that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

### **2. BOARD OF DIRECTORS**

#### **2.1) Composition and Category of Directors**

The Board consists of 5 (Five) Directors as on 31<sup>st</sup> March, 2022. The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The day- to- day operations of the Company was carried on by the 2 (Two) Executive Directors of the Company. All independent directors possess the requisite qualifications and are well experienced in their own fields.

The names and categories of the directors on the board and other relevant information, as on 31<sup>st</sup> March, 2022, are as under:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Category</b>	<b>No. of other Directorships held#</b>	<b>Member/ Chairman of other Board Committees @</b>	<b>No. of shares held in Company</b>
1.	*Shri. Nandkishore Sarda	Promoter Executive	8	2	3,23,100
2.	*Smt. Poonam Sarda	Promoter/ WTD	8	1	1,28,060
3.	Shri. R.P.Mohanka	Independent Non-Executive	5	3	0
4.	Shri. Harish Dass	Independent	2	3	0

		Non- Executive			
5.	Shri. Ramesh Mantri	Independent Non- Executive	3	3	0

**Notes:**

\*Except Shri. Nandkishore Sarda and Smt. Poonam Sarda, who are related to each other, no other director is related to any one in any manner. Shri. Nandkishore Sarda is father-in-law of Smt. Poonam Sarda.

# Including Public Limited Companies and Private Limited Companies excluding directorships in foreign companies.

@ Including all the committees.

## 2.2) Board Meetings

The members of the Board are provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings. Four meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2022 as given hereunder:

Sr.No.	Date of Meeting
1	21 <sup>st</sup> June, 2021
2	13 <sup>th</sup> August, 2021
3	12 <sup>th</sup> November, 2021
4	14 <sup>th</sup> February, 2022

The attendance record of the Directors at the Board Meetings during the year ended 31<sup>st</sup> March, 2022 and at the last Annual General Meeting is as under:

Sr.No.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM
1.	Shri. Nandkishore Sarda	4	Present
2.	Smt.Poonam Sarda	4	Present
3.	Shri. R.P.Mohanka	3	Present
4.	Shri. Harish Dass	3	Present
5.	Shri. Ramesh Mantri	4	Present

**2.3) Details of directorships in other listed companies with category of Company's directors is as under (as on 31<sup>st</sup> March, 2022)**

<b>Sr.No.</b>	<b>Name of Director</b>	<b>Name of the Company</b>	<b>Designation</b>
1.	Shri. Nandkishore Sarda	NIL	Not applicable
2.	Smt.Poonam Sarda	NIL	Not applicable
3.	Shri. R.P.Mohanka	Vidarbha Industries Limited.	Independent Director
		Jayaswal Neco Industries Limited	Independent Director
4.	Shri. Harish Dass	Vidarbha Industries Limited.	Whole-time Director
5.	Shri. Ramesh Mantri	NIL	Not applicable

**2.4) List of Core Skills / Expertise/ Competencies of directors**

The Company is engaged in one segment i.e. Iron and Steel Industry. A chart setting out the list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of its business and sector(s) for it to function effectively and those actually available with the Board are as follows:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Qualification &amp; Experience</b>	<b>Expertise</b>
1.	Shri. Nandkishore Sarda	B.sc Nearly 55 years of experience	Iron & Steel, Strategic Planning, General Management, Production & Operation and Human Resource Management
2.	Smt. Poonam Sarda	C.A (Intermediate), L.L.B Nearly 10 years of experience	Accounting, Finance, Taxation, Corporate Laws, Human Resource Management
3.	Shri. R.P.Mohanka	Chartered Accountant Nearly 49 years of experience	Accounting, Finance, Taxation, Costing, Budgeting, Corporate Laws, Finance Risk Assessment and Management Accounting
4.	Shri. Harish Dass	Mining Engineer Nearly 56 years of experience	Iron and Steel and Production planning
5.	Shri. Ramesh Mantri	B.com (Final) Nearly 52 years of experience	General Management, Human Resource Management, Banking and Finance.

## **2.5) Independent Directors**

Your Company's Independent Directors met once during the year without the presence of the Management. Independent Directors discussed matters pertaining to the Company's affairs and shared their views/ suggestions with Chairman & Managing Director and also with the Board of Directors.

The Board of Directors confirm that in the opinion of the Board, all independent directors are independent of the management of the Company and have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The weblink where details of the Familiarisation programmes imparted to Independent Directors is <http://shardaispat.com/investor/policy>.

## **2.6) Code of conduct**

Your Company has in place a comprehensive Code of conduct (the Code) applicable to the Senior Executives and the Directors. This code is applicable to Non – executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the code has been put on the Company's website ([www.shardaispat.com](http://www.shardaispat.com)). The code has been circulated to Directors and Senior Executives and its compliance is affirmed by them annually. A declaration signed by the Chairman & Managing Director is given below.

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the code of conduct for Board of Directors and Senior Executives in respect of the financial year 2021-22.

Nandkishore Sarda  
Chairman & Managing Director

## 2.7) Particulars of Directors seeking appointment/reappointment

Details under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the ensuing Annual General Meeting to be held on 30<sup>th</sup> September, 2022 are given as under:

Name of Director	Smt. Poonam Sarda
Age	50 years
Qualification	C.A (Intermediate), L.L.B
Date of appointment	21.01.2010
Experience	Nearly 10 years of experience
Terms & Conditions of re-appointment	Smt.Poonam Sarda is a Whole-time Director (designated as Whole-time Director and Chief Financial officer) of the Company, liable to retire by rotation
Remuneration last drawn (including sitting fees, if any)	Rs.30 Lakhs (F.Y.2021-22)
Remuneration/sitting fees proposed to be paid per month, if any)	As per the terms of remuneration approved by the members at the 57 <sup>th</sup> Annual General Meeting of the Company.
Other Directorships	Pachisia Mercantile Limited Asha Agriculture and Property Pvt. Ltd. Navdeep Agriculture & Properties Pvt. Ltd. Sarda Infrastructure Pvt. Ltd. In-link Capital Services Pvt. Ltd. Sharda Auto Industries Limited Armiss Alloys Private Limited
Chairman/ Member of Committees	Sharda Ispat Limited Stakeholders Relationship Committee- Member
Shareholding in the Company	1,28,060 Equity Shares
No. of Board Meetings attended/ held during Financial Year 2021-22	4/4
Relationship with Directors	Daughter-in-law of Shri. Nandkishore Sarda, Chairman & Managing Director

## 3. Committees of the Board

3.1 The details of the Committees of the Board and other related information are provided hereunder:

Audit Committee	Nomination and Remuneration Committee
Shri. Rajendra Prasad Mohanka	Shri. Rajendra Prasad Mohanka

(Chairman)	(Chairman)
Shri. Harish Dass	Shri. Harish Dass
Shri. Ramesh Mantri	Shri. Ramesh Mantri
<b>Stakeholders Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>
Shri. Harish Dass (Chairman)	Shri. Nandkishore Sarda (Chairman)
Shri. Nandkishore Sarda	Shri. Rajendra Prasad Mohanka
Smt. Poonam Sarda	Shri. Ramesh Mantri

Shri. Amit B.Mundada, Company Secretary, acts as the Secretary to all the Board Committees.

### 3.2 Meetings of the Board Committees and attendance of the Directors:

<b>Board Committees</b>	<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committees</b>	<b>Stakeholders Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>
Meetings held	4	1	8	2
Attendance:				
Shri. Nandkishore Sarda	NA	NA	8	2
Smt. Poonam Sarda	NA	NA	8	NA
Shri. R.P.Mohanka	3	1	NA	2
Shri. Harish Dass	3	1	8	NA
Shri. Ramesh Mantri	4	1	NA	2

### 3.3 Procedure at Committee Meetings

The Company's procedure relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist it in discharge of its duties/ function(s). Minutes of the Committee meetings are circulated to the directors and placed at the Board meetings for noting.

### 3.4 Terms of Reference of Board Committees

#### **Audit Committee**

The terms of reference of the audit committee covers all matters specified in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. There were no instances, where the Board had not accepted any of the recommendations of the Audit



Committee. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examining with management the quarterly financial results before submission to the Board;
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditor's report thereon;
- Review management discussion and analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments made by the Company;
- Reviewing, approving, or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company.
- Approving the appointment of Chief Financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of other services.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems.
- Discussing with Statutory Auditors, before the commencement of Audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any.
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues.

- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

### **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee is responsible for:

- a). Formulation of the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b). Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- c). Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination & Remuneration Committee or by an independent external agency and review its implementation and compliance.
- d). Devising a policy on diversity of board of directors.
- e). Whether to extend or continue the term of appointment of the independent director, on the basis of the report of the performance evaluation of independent directors;
- f). Recommend to the board, all remuneration, in whatever form, payable to senior management;
- g). Carrying out any other function as is mentioned in the terms of reference of the committee.

### **Performance Evaluation Criteria for Independent Directors:**

Performance evaluation of Independent Directors shall be done on annual basis. The evaluation criteria shall be reviewed by the Nomination and Remuneration Committee of the Board from time to time and shall be subject to the provisions of SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and rules made thereunder and the amendments thereto from time to time.

**Remuneration Policy:**

The Company's Remuneration Policy is directed onwards rewarding performance based on review of achievements at periodical intervals. The remuneration policy is in consonance with the existing industry practice. The Company's remuneration policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company <http://shardaispat.com/investor/policy>.

The executive Directors have been paid remuneration as per terms of their appointment. The Non- Executive Directors have been paid sitting fees for meetings of the Board attended by them.

**Details of remuneration to Chairman & Managing Director and Whole time Directors are as under:** (Rs. In Lakhs)

Name of the Director	Salary	Perquisites & Allowances	Commission	Total	Stock Options granted*
Shri. Nandkishore Sarda	36.00	--	--	36.00	NIL
Smt.Poonam Sarda #	30.00	--	--	30.00	NIL

# Also holds the office of CFO.

\* No stock options were granted during the year.

Contract period: Shri. Nandkishore Sarda, Chairman & Managing Director- Five years from 01<sup>st</sup> April, 2022.

Smt.Poonam Sarda, Whole-time Director- Five years from 01<sup>st</sup> April, 2022.

**Details of remuneration to Non-Executive Directors are as under:**

Name of the Director	Sitting fees (per meeting)	Total
Shri. R.P. Mohanka	2,000	6,000
Shri. Harish Dass	2,000	6,000
Shri. Ramesh Mantri	2,000	8,000

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of fees received by them from the Company during the year.

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves the grievances of security 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.

The number of complaints received during the year:	Nil
The number of complaints not solved to the satisfaction of shareholders	None
Number of pending complaints:	None

## Corporate Social Responsibility Committee

The role of the Committee is to:

- 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 subject, specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

## 4. General Body Meetings

The venue, date and time of the last three Annual General Meetings and the details of Special Resolutions passed thereat are as under:

Date	Time	Venue	Special Resolution Passed
24 <sup>th</sup> September,2021	11.00 a.m.	At the corporate office of the Company at Da-rock, Plot no. 230, 6 <sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010	1. Authorisation under Section 186 of the Companies Act, 2013
11 <sup>th</sup> December,2020	11.00 a.m.	At the corporate office of the Company at Da-rock, Plot no. 230, 6 <sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010	1. To approve the revision in the remuneration of Shri. Nandkishore Sarda, Chairman & Managing Director of the Company
27 <sup>th</sup> September,	10.30 a.m.	At the corporate office of	1.To reappoint Shri.

2019		the Company at Da-rock, Plot no. 230, 6 <sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010	H.K.Dass as an Independent Director 2. To reappoint Shri. Rajendra Prasad Mohanka as an Independent Director 3. To reappoint Shri. Ramesh Mantri as an Independent Director 4. To approve the loans, investments, guarantees or security under Section 185 of the Companies Act, 2013
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**Special Resolution(s) passed through Postal Ballot:**

During 2021-22, no Special Resolution was passed through Postal Ballot. In the month of April-May 2022, Special Resolution for re-appointment of Shri. Nandkishore Sarda, as Chairman and Managing Director of the Company and Ordinary Resolution for Re-appointment of Smt. Poonam Sarda as Whole-time Director of the Company were passed through Postal Ballot as on the date of this report. The Board of Directors had appointed Shri. Sunil Kumar Sharma, proprietor of Sunil Kumar Sharma & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner. The e-voting period shall commence on Tuesday, April 26th, 2022 (9:00 a.m. IST) and end on Wednesday, May 25th, 2022 (5:00 p.m. IST). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutinizer on Thursday, May 26, 2022. The details of e-voting on the aforementioned resolution(s) are provided hereunder:

Item no.	Brief Description	No. of votes cast in favour		No. of votes cast against		Number of votes abstained		Total votes
		No. of votes	% to total votes cast	No. of votes	% to total votes cast	No. of votes	% to total votes cast	
1.	Re-appointment of Shri. Nandkishore Sarda as Chairman and Managing Director of the Company.(Special Resolution	237030	99.96	100	0.04	0	0.00	237130
2.	Re-appointment of Smt. Poonam Sarda as Whole-time Director of the Company. (Ordinary Resolution)	237030	99.96	100	0.04	0	0.00	237130

The Special Resolution was passed with requisite majority.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

### Procedure for Postal Ballot

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 8, 2021, issued by the Ministry of Corporate Affairs.

### 5. Means of communication

Quarterly, half-yearly and annual results are submitted to the stock exchange in accordance with the Listing Regulations and published in Indian Express (English) and Loksatta (vernacular) newspapers. The Company's website contains a separate dedicated section titled "Investors". The information about the Company, in terms of Regulation 46 of the Listing Regulations, is provided on the Company's website

www.shardaispat.com and the same is updated from time-to-time. The financial results and other relevant information are placed simultaneously on your Company's website.

## 6. General shareholder information

### Annual General Meeting

Date : 30<sup>th</sup> September, 2022

Time : 11.00 a.m.

Venue: At the corporate office of the Company at Da-rock, Plot no. 230, 6<sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010

### Financial calendar for 2022-23 (tentative)

Financial results for the quarters ended:

30 <sup>th</sup> June, 2022	1 <sup>st</sup> Week of August, 2022
30 <sup>th</sup> September, 2022	1 <sup>st</sup> Week of November, 2022
31 <sup>st</sup> December, 2022	1 <sup>st</sup> Week of February 2023
31 <sup>st</sup> March, 2022	4 <sup>th</sup> Week of May, 2023
Annual General Meeting (for F.Y. 2022-23)	September, 2023

Dividend payment date (For F.Y. 2021-22)

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.

### Listing on stock exchanges Equity Shares

The shares of the Company are listed on the following exchanges:

1. BSE Limited, (513548)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

2. The Calcutta Stock Exchange Association Limited (029292),

7, Lyons Range, Kolkata -700001

ISIN no. NSDL & CDSL-INE385M01012

The security of the Company has been shown as suspended on the Calcutta Stock Exchange Association Limited. The Company has stepped up and is in the process to expel the suspension from Calcutta Stock Exchange.

Your Company has paid annual listing fees to the BSE Limited, Mumbai, for the equity shares for the financial year 2021-22.

**Registrar and share transfer agents** (for physical and electronic) Adroit Corporate Services Private Limited  
18-20, Jafferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400059

**Share Transfer System**

In view of the SEBI circular, share transfers in physical have been stopped from 01st April, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale /purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account.

Shareholders should communicate with Adroit Corporate Services Private Limited, Company's Registrars and Transfer Agent ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities.



## Market price data: High/low during the year 2021-22

Month	Sharda Ispat Limited on the BSE (in Rs.)	
	High	Low
April, 2021	61.35	50.10
May, 2021	82.00	55.00
June, 2021	79.30	65.45
July, 2021	78.50	70.05
August, 2021	82.35	67.80
September, 2021	83.00	69.55
October, 2021	82.80	67.60
November, 2021	76.00	65.70
December, 2021	73.65	63.55
January, 2022	74.70	64.50
February, 2022	74.85	59.95
March, 2022	70.90	60.80

## Comparison of SIL share price movements on BSE Sensex 30 Index



### Shareholding pattern as on 31<sup>st</sup> March, 2022

Sr.No.	Category	No. of Shares	Percentage
1.	Promoter and Promoter Group	38,07,600	75.00
2.	Banks/MFs/FIs/Ins.Cos./NBFCs	0	0.00
3.	Foreign Portfolio Investors	0	0.00
4.	Overseas Corporate Bodies	0	0.00
5.	Bodies Corporate	4,79,734	9.45
6.	Individual NRIs	3579	0.07
7.	Resident Individuals	7,69,249	15.15
8.	IEPF Authority	0	0.00
9.	Others	16638	0.33

### Distribution of shareholding as on 31<sup>st</sup> March, 2022

Shareholding of nominal value (Rs.)	Shareholders		Shares	
	Number	% to total	Number	% to total
Up to 100	2,371	65.88	1,65,446	3.26
101-500	999	27.76	2,79,681	5.51
501-1000	131	3.64	1,10,487	2.18
1001- 2000	37	1.03	58,624	1.15
2001-3000	13	0.36	34,952	0.69
3001-4000	15	0.42	52,876	1.04
4001-5000	1	0.03	5,000	0.10
5001-10000	6	0.17	45,702	0.90
10001-20000	3	0.08	54,300	1.07
20001-50000	5	0.14	1,27,200	2.51
50,001 and above	18	0.50	41,42,532	81.60
<b>Total</b>	<b>3599</b>	<b>100.00</b>	<b>50,76,800</b>	<b>100.00</b>

### Dematerialization of Shares

Your Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on 31<sup>st</sup> March, 2022 out of the total 50,76,800 equity shares held by about 3,599 (PY 3338) shareholders 40,68,840 (PY 38,21,383) equity shares held by 1,252 (PY 943) shareholders representing 80.15% (PY 75.27%) percent of the total paid-up equity capital have been dematerialized. The Promoter is in the process to convert their physical shareholding in the company in dematerialized form.

## **GDR, ADR, Warrants or Conversion Instruments**

During the year under review, the Company has not issued Global Depository Receipt, American Depository Receipt, Warrants or any Conversion Instruments.

## **Hedging of Risks**

The Company has in place a Board approved policy which establishes the risk management framework and defines the procedures and controls for effective management of risk's faced by the Company. In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, is material in the context of its overall operations, and also in terms of the 'policy on Determination of Materiality for Disclosures (s)', as approved by the Board. Accordingly, the disclosure requirements prescribed under the SEBI Circular dated 15<sup>th</sup> November, 2018 is not applicable to the Company.

## **Credit Ratings**

During the year under review, the Company has not obtained any credit ratings.

Plant Location	Kamptee Road, Nagpur- 440026
Address for correspondence	Regd. Office Kamptee Road, Nagpur- 440026 Ph: 0712-2640071 e-mail: <a href="mailto:shardaispat.ngp@gmail.com">shardaispat.ngp@gmail.com</a>  Corporate Office Da-rock, Plot No.230, 6 <sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010 e-mail: <a href="mailto:shardaispat.ngp@gmail.com">shardaispat.ngp@gmail.com</a>

## **7. Disclosures**

### **a).Related Party Transactions**

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. Certain transactions

which were repetitive in nature were approved through omnibus route by the Audit Committee. The Company has not entered into any materially significant related party transaction.

During the period under review, the Company had not entered into any material significant related party transactions that may have potential conflict with the interest of the Company. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosures of transactions with related parties set out in Note No. 37 of Standalone Financial Statements, forming part of the Annual Report. The Company's major related party transactions are generally with its group companies.

All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interest.

**b). Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

During the last three years, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. No penalties, strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

**c). Whistle Blower policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal / unethical behavior. The Company has adopted Whistle Blower Policy and has established necessary vigil mechanism for employees / directors, wherein they can report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. The reportable matters may be disclosed to the head HR or the Compliance Officer who report 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.

**d). Compliance with mandatory and discretionary requirements**

**Financial Statements:** The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

**Listing Regulations:** There is no non-compliance of any of the requirements of Corporate Governance for the year under review as required under the Listing

Regulations. The Company has adopted the following non-mandatory requirements of Listing Regulations.

1) Unmodified Opinion(s) in Audit Report

The Company is in the regime of financial statements with unqualified / unmodified Audit Opinion.

2) Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit Committee periodically to ensure independence of the Internal Audit function.

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back to back treaties/contracts/agreements/MoU's or similar instruments with media companies and/or their associates.

Unclaimed Dividend/ transfer of Shares to IEPF: The Company has not declared or paid any dividend. The details of which are given below.

<b>Financial Year</b>	<b>Unpaid/ Unclaimed dividend as on 31.03.2021 (In Rs.)</b>	<b>Date of declaration</b>	<b>Date of transfer to IEPF</b>
2015-16	Nil	N.A	N.A
2016-17	Nil	N.A	N.A
2017-18	Nil	N.A	N.A
2018-19	Nil	N.A	N.A
2019-20	Nil	N.A	N.A
2020-21	Nil	N.A	N.A
2021-22	Nil	N.A	N.A

(N.A – Not Applicable)

#### **e). Material financial & commercial transactions by Senior Management**

There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of the Listing Regulations where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

#### **f). Governance Policies**

Your Company strives to conduct its business and strengthen relationships in a manner that is dignified, distinctive and responsible. Your Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, your Company has adopted various codes and policies to carry out its duties in an ethical manner as named hereunder:

- Code of conduct
- Corporate Social Responsibility Policy
- Vigil Mechanism and Whistle Blower Policy
- Policy for determining Material Subsidiaries
- Code of Conduct for Prohibition of Insider Trading
- Policy for selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel and other employees
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

#### **g). Web-links**

1. Material Subsidiary Policy:  
<http://shardaispat.com/wp-content/uploads/2021/08/Policy-for-Determining-Material-Subsidiaries.pdf>.
2. Related Party Transaction Policy  
<http://shardaispat.com/wp-content/uploads/2021/08/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transaction2.pdf>.
3. Other Policies  
<http://shardaispat.com/investor/policy>

If for any reason, the links do not support, the members are requested to refer the policies section under the heading Investors on the website of the Company.

**h).** The Board has adopted all the recommendations made by the committees of the board during the year.

**i).** Total fees for all services paid by the Company to the statutory auditor are Rs. 2.50 Lakhs.

**j).** 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. Accordingly, there is no information required to be furnished.

**k). Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

i) Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil.

ii) No. of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil.

iii) No. of shareholders to whom shares were transferred from suspense account during the year: Nil.

iv) Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil.

**I). Certificate from practicing Company Secretary**

Certificate from shri. Sunil Kumar Sharma, Practicing Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is as under:

**TO WHOMSOEVER IT MAY CONCERN**

I, Sunil Kumar Sharma, Practicing Company Secretary do hereby certify that none of the directors on the board of M/s. Sharda Ispat Limited have been debarred or disqualified from being appointed or from continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

This certificate is being issued as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Sunil Kumar Sharma & Associates**

Sd/-

Sunil Kumar Sharma

(Proprietor)

M No. 10043

CP No. 12708

UDIN: F010043D000784069

Place: Nagpur

Date: 12.08.2022



**Compliance Certificate from the Practicing Company Secretary regarding  
compliance of conditions of Corporate Governance**

To,  
The Members of,  
Sharda Ispat Limited

We have examined the compliance of conditions of corporate governance by Sharda Ispat Limited ("the Company"), for the year ended 31<sup>st</sup> March, 2022 as stipulated in SEBI (LODR) Regulations, 2015 and the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

**For Sunil Kumar Sharma & Associates**

Sd/-

Sunil Kumar Sharma

(Proprietor)

M No. 10043

CP No. 12708

UDIN: F010043C000788601

Place: Nagpur  
Date: 12.08.2022

**SHARDA ISPAT LIMITED**

Regd. Office: Kamptee Road, Nagpur 440026

**CIN: L74210MH1960PLC011830**

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

**ATTENDANCE SLIP**

I hereby record my presence at the sixty first Annual General Meeting held at the Corporate office of the Company at Da-rock ,Plot no.230, 6<sup>th</sup> Floor, Hill Road, Shivaji Nagar, Nagpur-440010 Maharashtra on Friday, the 30<sup>th</sup> day of September, 2022 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 sixty first Annual General Meeting of the company, to be held on the Friday, the 30<sup>th</sup> day of September, 2022 at 11.00 a.m. (I.S.T), at the corporate office of the Company at Da-rock, Plot no. 230, 6<sup>th</sup> 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, 2022 along with the reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director.
3. To approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2023.
4. Material Related Party Transaction(s) with Sharda Auto Industries Limited.

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

Signature of shareholder :

Signature of Proxy holder(s):

First Proxy holder

Second Proxy holder

Third Proxy holder

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

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

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

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

Registered office: Kamptee Road, Nagpur 440026 Maharashtra

**BALLOT PAPER**

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, 2022 along with the reports of the Board of Directors and Auditors thereon.			
2.	Re-appointment of Smt. Poonam Sarda (retiring Director) as Director.			
3.	To approve the Remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2023.			
4.	Material Related Party Transaction(s) with Sharda Auto Industries Limited.			

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

