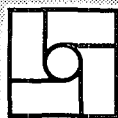


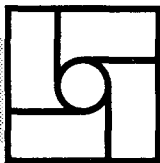
48th Annual R·E·P·O·R·T

2008-2009



SHARDA ISPAT LIMITED

Nagpur



SHARDA ISPAT LIMITED, Nagpur

BOARD OF DIRECTORS

SHRI J. K. SARDA	: Managing Director
SHRI N. K. SARDA	: Joint Managing Director
SHRI GHANSHYAM SARDA	: Whole-Time Director
SHRI H. K. DAS	: Director
SHRI A. K. MUKHERJEE	: Director
SHRI J. C. SABOO	: Director

AUDITORS	: LOYABAGRI & CO. Chartered Accountants, Gandhibagh, Nagpur 440002
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INTERNAL AUDITOR	: M. M. JAIN Chartered Accountants, Kingsway, Nagpur 440 001.
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BANKERS	: STATE BANK OF INDIA
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REGISTERED OFFICE	: Kamptee Road, Nagpur - 440026
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PLANT	: 1. Kamptee Road, Nagpur 440026
	: 2. T- 1/1, MIDC, Hingna Road, Nagpur - 440016

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

Notice is hereby given that the 48th Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Wednesday, the 30th day of September, 2009 at 10.00 a.m. at the Registered Office of the Company at Kamptee Road, Nagpur - 440026 to transact the following business:

ORDINARY BUSINESS:

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

Registered Office :
Kamptee Road,
Nagpur 440 026

By Order of the Board,

Date : 01.09.2009

N.K.Sarda
Joint Managing Director

**NOTES**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- 2) The Register of Members and Share Transfer Books of the company will remain closed from 29th September, 2009 to 30th September, 2009 (both days inclusive)
- 3) Members are requested to:
 - a) Intimate to the company the changes, if any, in their registered addresses along with **Pin Code Number**.
 - b) Quote their **Folio Number**.
- 4) *Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all shareholdings into one folio.*
- 5) A blank proxy form is sent herewith.
- 6) The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting .
- 7) The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting .
- 8) Members are requested to make all correspondence relating to share department at the following address :

ADROIT CORPORATE SERVICES PRIVATE LIMITED

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



DIRECTORS' REPORT

To the Members of SHARDA ISPAT LIMITED

Your Directors are pleased to present the 48th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS:

	Rs.	Rs.
SALES AND SERVICE CHARGES		101,17,94,558/-
Gross Profit before interest, Depreciation, Taxation Provisions & Extra Ordinary Items		8,92,61,681/-
Add : Extra Ordinary Items		22,36,95,225/-
Gross Profit After Extra Ordinary Items		31,29,56,906/-
Add : Prior Year Adjustment		4,69,100/-
Less :		
Depreciation	96,34,683/-	
Interest	95,23,404/-	
Taxation Provision / Adjustment	1,22,050/-	
		1,92,80,137/-
Net Profit After Taxation Provision		29,41,45,869/-
Add : Brought forward balance of loss		(27,81,67,649/-)
Profit carried to Balance Sheet		1,59,78,220/-

2. REVIEW OF OPERATIONS :

During the year under review the global recession has also affected the Country's iron and steel market considerably. As a result the overall demand for the steel was fallen drastically. In spite of such recessionary period the Company could witness the encouraging results.

In fact, the Company posted sales turnover of Rs. 11272.75 Lacs (Own Unit : Rs.10093.94 Lacs & Conversion Services : Rs. 1178.81 Lacs) (66994 MT) as against Rs. 11389.72 Lacs (Own Unit : Rs. 10307.72 Lacs & Conversion Services Rs. 1082.00 Lacs) (69006 MT) during the previous year.

The Management has made one time settlement with Industrial Bank of India, IFCI Ltd., and State Bank of India by making payment in installments. The settlements so done have relieved the Company from the liability of Rs. 2816.57 Lacs out of which the amount of Rs.2236.95 Lacs is against interest liability which had been provided for in the accounts. The said amount is therefore credited to Profit & Loss Account as an Extra Ordinary Items. The balance amount i.e. Rs. 579.62 Lacs is against principal and the same is transferred to Capital Reserve Account.

Accordingly, the gross profit after the aforesaid Extra Ordinary Items was Rs. 3129.57 Lacs . After providing Rs. 96.34 Lacs for depreciation and Rs. 95.23 Lacs against interest and further Rs. 1.22 Lacs for income tax , the Company earned net profit after tax of Rs. 2941.46 Lacs as against Rs. 226.87 Lacs during the previous year.

**3. DIRECTORS :**

Shri. J.C. Saboo and Shri H.K. Dass retire by rotation and being eligible, offer themselves for re-appointment.

4. FIXED DEPOSITS :

The Company did not accept any fixed deposits during the year under review . No deposits were outstanding as on 31.03.2009.

5. AUDITORS' REPORT & AUDITORS :

The Auditor's Report and its Annexures are self explanatory. M/s Loya Bagri & Co. Chartered Accountants retire as statutory Auditors of the Company at the conclusion of 48th Annual General Meeting and are eligible for re-appointment.

6. LISTING OF SECURITIES :

The Shares of the Company are presently listed at the stock exchanges namely Mumbai, Ahmedabad, Kolkata, and Pune. The Company has made the due payment of the listing fees to all Stock exchanges in respect of the financial year 2009-2010.

7. PARTICULARS OF EMPLOYEES :

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

8. ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :

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

9. DIVIDEND :

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

10. CORPORATE GOVERNANCE :

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

11. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure.
- ii) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2009.



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

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

12. APPOINTMENT OF R & T AGENT :

During the year, the Company has appointed M/s Adroit Corporate Services Private Limited, Mumbai as its R & T Agent to look after and carry out the entire share transfer work and also the work related to Dematerialization of shares of the Company from time to time. The Company has entered into MOU Agreement with them on 16.12.2008.

13. SECRETARIAL COMPLIANCE CERTIFICATE :

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

14. REFERENCE TO THE BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR)

The Company is a sick industrial Company under the Sick Industrial Companies. (Special Provisions) Act, 1985. As per the directives of BIFR, the Company has done one time settlement with Industrial Bank of India, IFCI Ltd and State Bank of India by making payment in installments.

15. ACKNOWLEDGEMENT:

Your directors are grateful to various Government Departments, Banks, Financial Institutions and Business Associates for their continued co-operation and guidance extended to the Company during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year. The Directors are also grateful to all the shareholders for their continued faith in the Company.

For and on behalf of the Board of Directors

Place : Nagpur

J.K. SARDA

N.K. Sarda

Date : 01.09.2009

(Managing Director)

(Jt. Managing Director)



ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY :

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

B. TECHNOLOGY ABSORPTION : RESEARCH & DEVELOPMENT

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

C. FOREIGN EXCHANGE EARNING AND OUTGO :

- The company has not effected any import or export during the year ended 31.03.2009.
- The inflow of foreign exchange is NIL
- The outflow of foreign exchange is NIL

FORM 'A'

(See Rule 2)

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

	March 2009	March 2008
D. Power and Fuel Consumption		
1. Electricity		
a) Purchased : Units	86,22,338	94,70,590
Total Amount (Rs.)	4,18,33,132/-	5,10,60,600/-
Average Rate /Unit (Rs.)	4.85	5.39
b) Own Generation	NIL	NIL
2. Steam Coal :		
Quantity (Tonnes)	7,283	5,930
Total Cost (Rs.)	2,08,10,363/-	1,69,16,922/-
Average Rate / Tonne (Rs.)	2857/-	2852/-
3. Furnace Oil :		
Quantity (K. Ltrs.)	1,513	1,866
Total Amount (Rs.)	4,06,89,665/-	4,00,79,367/-
Average Rate / K.Ltrs.(Rs.)	26,891/-	21,498/-
4. Other / Internal Generation	NIL	NIL
5. Consumption per MT of production (Standards if any)		
Products (with details) unit	---	---
Rolled Iron & Steel (in MT)	66994	69,006
Electricity (in Units)	128.703	137.243
Furnace Oil (Secondary Fuel) (in Ltrs.)	22.584	27.041
Coal (Steam Coal 'B'Grade) (in MT)	0.109	0.086
Excluding Shell & dust Other (Specify)	NIL	NIL

For and on behalf of the Board of Directors

Place : Nagpur
Date : 01.09.2009

J.K. SARDA
(Managing Director)

N.K. Sarda
(Jt. Managing Director)



SECRETARIAL COMPLIANCE CERTIFICATE

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

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

Paid-up Capital: Rs. 4,23,79,000/-

To,

The Shareholders

SHARDA ISPAT LIMITED

Nagpur (M.S.)

I have examined the registers, records, books and papers of SHARDA ISPAT LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2009 (financial year from 01.04.2008 to 31.03.2009). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies along with necessary fees including additional fees in respect of delayed filing.
3. The Company being a public limited Company, comments are not required
4. The Board of Directors duly met 9 (Nine) times respectively on 30.04.2008, 25.05.2008, 02.06.2008, 31.07.2008, 28.08.2008, 27.10.2008, 31.10.2008, 24.11.2008 and 31.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for two days from 29.09.2008 to 30.09.2008 (both days inclusive) during the financial year. However the previous notice thereof was not advertised in the newspaper.
6. The annual general meeting for the financial year ended on 31st March, 2008 was held on 30.09.2008 after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not obtained the previous approval of Central Government in respect of contract(s) covered in section 297 of the Act..
10. The Company has made necessary entries in the register maintained under section 301 of the Act.



11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has not made allotment or approved transfer/ transmission of any securities during the financial year.
 (ii) The Company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 (iii) The Company was not required to post warrants for dividends to any members of the Company.
 (iv) The Company was not required to transfer any amounts in Investor Education and Protection Fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and interest accrued thereon which have remained unclaimed or unpaid for the period of seven years.
 (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the reappointment of Directors retiring by rotation has been duly made.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act except the previous approval of the Central Government as mentioned under Clause (9) above, during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there were no outstanding preference shares or debentures, question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits except unsecured loans, falling within the purview of section 58A and 58 AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975 during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has made loans or advances or but has not given any guarantees or provided securities to other bodies corporate and made necessary entries in the Register kept for the purpose.