

SHARDA ISPAT LIMITED

BOARD OF DIRECTORS

Shri N K Sarda	- Chairman & Managing Director
Shri. J K Sarda	- Managing Director
Shri. Ghanshyam Sarda	- Whole Time Director
Shri. H K Dass	- Director
Shri. A.K. Mukherjee	- Director
Smt. Poonam Sarda	- Director
Shri. R P Mohanka	- Director
Shri. Ramesh Mantri	- Director

AUDITORS

LOYA BAGRI & Co.
Chartered Accountants,
Gandhibagh, Nagpur – 440002

INTERNAL AUDITOR

: M.M.Jain
Chartered Accountants,
Kingsway , Nagpur – 440001

BANKERS

: STATE BANK OF INDIA

REGISTERED OFFICE

: Kamptee. Road, Nagpur – 440026

PLANT

: Kamptee Road, Nagpur – 440026

ADDRESS FOR CORRESPONDENCE TO SHARE DEPARTMENT

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

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 49th Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Thursday , the 30th day of September, 2010 at 10.00 a.m at the Registered Office of the Company at Kamptee Road, Nagpur – 440 026 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Revised 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 receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010 and the Reports of the Directors and Auditors thereon.
- 3) To appoint a Director in place of Shri H. K. Dass who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri A. K. Mukherjee who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 5) To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“ Resolved that Shri. R P Mohanka who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 01.11.2009 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri. R P Mohanka as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”
- 7) To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“ Resolved that Smt. Poonam Sarda who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 21.01.2010 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Smt. Poonam Sarda as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”

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

“ Resolved that Shri. Ramesh Mantri S/o Late Shri. Manaklalji Mantri who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 21.01.2010 and who holds office as such up to the date of this annual general meeting and in respect of whom notices under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri. Ramesh Mantri as a candidate for the office of Director of the Company be and is hereby appointed as Director of the Company.”

Registered Office :
Kamptee Road,
Nagpur 440026

By Order of the Board,



N.K.Sarda

Chairman & Managing Director

Date : 24.08.2010

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, 2010 to 30th September, 2010 (both days inclusive)
- 3) Member are requested to:
 - a) Intimate to the company 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

EXPLANATORY STATEMENT

(Pursuant To Section 173(2) of the Companies Act, 1956)

Item No. 7:

The Board of Directors of the Company at their meeting held on 01.11.2009 appointed Shri. R P Mohanka as additional director of the Company effective from 01.11.2009. As such he holds the office of Director upto the date of annual general meeting. Appreciating the qualification and experience possessed by Shri. R P Mohanka the Board has decided to continue him on the Board of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Shri R P Mohanka for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director.

The Directors therefore recommend that the resolution be passed.

None of Directors of the Company is interested or concerned in any way in the said resolution.

Item No.8:

The Board of Directors of the Company at their meeting held on 21.01.2010 appointed Smt. Poonam Sarda as additional director of the Company effective from 21.01.2010. As such she holds the office of Director upto the date of annual general meeting. The Board of Directors of the company thought that her continuation on the Board of the Company would be of immense help to the Company and therefore decided to regularize her as Director of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Smt. Poonam Sarda for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director..

The Directors therefore recommend that the resolution be passed.

Shri. N.K Sarda, Shri. J.K. Sarda and Shri Ghanshyam Sarda are interested in the said resolution.

Item No.9:

The Board of Directors of the Company at their meeting held on 21.01.2010 appointed Shri Ramesh Mantri as additional director of the Company effective from 21.01.2010. As such he holds the office of Director upto the date of annual general meeting. The Board of Directors of the company thought that his presence on the Board of the Company would go a long way in benefiting the Company and therefore decided to appoint him as Director of the Company.

The Company has received the special notices under section 257 of the Companies Act, 1956, from the members of the Company signifying the candidature of Shri. Ramesh Mantri for the office of Director of the Company.

Section 256(2) of the Companies Act, 1956 requires the Company to obtain an approval of the members in the general meeting by way of an ordinary resolution to appoint a person as Director..

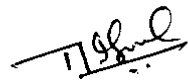
The Directors therefore recommend that the resolution be passed.

None of Directors of the Company is interested or concerned in any way in the said resolution.

Registered Office :
Kamptee Road,
Nagpur 440026

Date : 24.08.2010

By Order of the Board,



N.K.Sarda
Chairman & Managing Director

DIRECTORS' REPORT

To the Members of SHARDA ISPAT LIMITED

Your Directors are pleased to present the 49th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010:

1. REHABILITATION SCHEME & FINANCIAL RESULTS :

At the outset your Directors would like to inform that as already reported, the Company was referred to the Board For Industrial and Financial Reconstruction (BIFR) as a sick company for its revival and rehabilitation. With due consideration of the application and the representations made by the Company in that behalf the Hon'ble BIFR has made an order on 21.01.2010 where under the Bench sanctioned the Rehabilitation Scheme (i.e. Sanctioned Scheme) with Demerger Scheme being part of it with cut off date 31.03.2008

Under the said Scheme the 2 Nos. Units of the Company i.e. Old Unit situated at Kamptee Road, Nagpur & Unit situated at Hingna, Nagpur, are demerged and the third Unit i.e. New Unit situated at Kamptee Road Nagpur is retained by the Company.

Accordingly, effective from the appointed date 01.04.2008 the assets and liabilities of the said Demerged Units are transferred to the Resultant Companies as under :

Old Unit at Kamptee Road, Nagpur transferred to **Sharda Ispat Industries Limited**

Hingna Unit at Hingna, Nagpur transferred to **Sarda Ispat Limited**

And the assets and liabilities of the New Unit at Kamptee Road, Nagpur are remained with the Company.

In fact the Company has been preparing a single Balance Sheet for all the three units till 31.03.2009. However, the Hon'ble BIFR Order provides for the demerger of the Units of the Company effective from the appointed date 01.04.2008. Hence the Balance Sheet of the Company as on 31.03.2009 prepared for all the three units, as already approved by the Board on 17.08.2009 and adopted by the Company at the AGM held on 30.09.2009, has been revised and as a result the Revised Balance Sheet of the Company as on 31.03.2009 and the Balance Sheet as on 31.03.2010 states the assets and liabilities pertaining to the New Unit at Kamptee Road, Nagpur only. Resultantly the financial results of the Company for the financial year under review are as under:

FINANCIAL RESULTS:

	Rs.	Rs.
SALES AND SERVICE CHARGES		29,22,30,571
Profit before interest, depreciation, tax & Extra Ordinary Items		1,85,25,148
Add: Extra Ordinary Items		Nil
Profit after Extra Ordinary Items		1,85,25,148
Less: Prior year adjustment (Net)		70,645
Profit before tax		1,84,54,503
Less:		
Depreciation	67,39,706	
Interest	46,34,874	
Taxation	11,00,000	
		1,24,74,580
Net profit after tax		59,79,923
Add : Brought forward balances		(3,30,70,800)
Balance carried to Balance Sheet		(2,70,90,877)

2. REVIEW OF OPERATIONS :

The year under review witnessed a rising trend in the steel prices and its demand as well.

Nevertheless, the Company posted sales turnover of Rs. 2922.31 Lacs (7025 MT) with total expenditure of Rs. 2884.65 Lacs. The expenditure incurred on account of interest and depreciation amounts to Rs. 113.75 Lacs and the profit before tax is Rs. 70.80 Lacs. After providing Rs. 11.00 Lacs for income tax, the Company earned net profit after tax of Rs. 59.80 Lacs.

3. DIRECTORS :

Your Directors deeply regret to report about the sudden demise of Shri. J. C. Saboo, the Director of the Company, on 01.11.2009. The support and co-operation that he rendered during the critical period of the Company is worth remembering and is still being remembered by the Board.

The Board of Directors of the Company take on record the sincere appreciation of the invaluable guidance he extended to the Company from time to time during his tenure.

Shri H.K. Dass and Shri. A. K. Mukherjee 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 31.03.2010.

5. SHARE CAPITAL:

In terms of the provisions of Clause (19)(b) of the Demerger Scheme read with Clause (9) (e) of the Sanctioned Scheme approved by the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) vide their Order dated 23.02.2010, the 24,200 equity shares of Rs. 10/- each, partly paid-up, of the Company stands forfeited for non-payment of allotment money. Consequently the paid-up share capital of the Company has been reduced from Rs. 4,23,79,000/- to Rs. 4,22,58,000/- comprising of 42,25,800 equity shares of Rs. 10/- each, credited as fully paid up.

6. 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 49th Annual General Meeting and are eligible for re-appointment.

7. 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 2010-2011.

8. 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.

9. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :

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

10. 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.

11. 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.

12. 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 31.03.2010.

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;

13. ELECTION OF CHAIRMAN OF BOARD :

During the year under review the Board of Directors of the Company at their meeting held on 21.01.2010 appointed Shri. N.K.Sarda, Joint Managing Director as the Chairman of the Board for the period till otherwise resolved and accordingly his designation has been changed from Joint Managing Director to Chairman & Managing Director effective from 21.01.2010.

14. R & T AGENT :

The entire work relating to share transfer and other allied matters in that behalf is looked after by the R & T Agent of the Company i.e. M/s Adroit Corporate Services Private Limited, Mumbai