

**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**

: Nagpur Nagrik Sahakari Bank Ltd.,

**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 50<sup>th</sup> Annual General Meeting of the Members of **SHARDA ISPAT LIMITED** will be held on Friday, the 30<sup>th</sup> day of September, 2011 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 Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2011 and the Reports of the Directors and Auditors thereon..
- 2) To appoint a Director in place of Smt. Poonam Sarda who retires by rotation at this meeting and being eligible, offers herself for re-appointment.
- 3) To appoint a Director in place of Shri Rajendra Prasad Mohanka who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint auditors and to fix their remuneration.

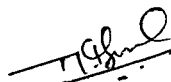
### SPECIAL BUSINESS:

- 5) 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 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, be and is hereby authorized to borrow money from time to time up to a limit of not exceeding in the aggregate Rs. 100.00 Crores (Rupees One Hundred Crores only) notwithstanding that the money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained by the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

Registered Office :  
Kamptee Road,  
Nagpur 440026

By Order of the Board,



N.K.Sarda

Chairman & Managing Director

Date : 29.08.2011

### 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, 2011 to 30th September, 2011 (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

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

**Item No. 5:**

In view of enabling the Board of Directors of the Company to borrow money from time to time in the course of business of the Company where such money to be borrowed along with the money already borrowed in the ordinary course of business of the Company exceeds the aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purpose) as more particularly stated in the resolution it is necessary to authorize the Board to borrow accordingly and to fix up a certain limit in aggregate in that behalf.

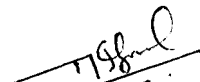
Section 293(1)(d) of the Companies Act, 1956 requires the Company to obtain a consent of the members of the Company in the general meeting by way of an ordinary resolution to exercise the borrowing powers by the Board in the circumstances stated therein..

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

By Order of the Board,



N.K.Sarda

Chairman & Managing Director

Date : 29.08.2011

## DIRECTORS' REPORT

To the Members of **SHARDA ISPAT LIMITED**

Your Directors are pleased to present the 50<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011:

### 1) REHABILITATION SCHEME & FINANCIAL RESULTS :

The Rehabilitation Scheme sanctioned to the Company by Hon'ble Board For Industrial and Financial Reconstruction (BIFR) vide their Order dated 23.02.2010 has almost been implemented by the Company.

Accordingly, the financial results of the Company in respect of the year under review pertains to the single demerged unit of the Company i.e. New Unit situated at Kamptee Road Nagpur .

#### FINANCIAL RESULTS:

	Rs.	Rs.
<b>SALES AND SERVICE CHARGES</b>		<b>38,75,29,943/-</b>
<b>Gross Profit before Interest, Depreciation, Taxation Provisions &amp; Extra Ordinary Items</b>		<b>2,15,72,857/-</b>
Add: Extra Ordinary Items		Nil
<b>Gross Profit After Extra Ordinary Items</b>		<b>2,15,72,857/-</b>
Less: Prior Year Adjustment (Net)		12,000/-
<b>Profit Before Taxation</b>		<b>2,15,60,857/-</b>
Less:		
Depreciation	68,11,323/-	
Interest	1,08,63,767/-	
Taxation	3,05,984/-	
		<b>1,79,81,074/-</b>
<b>Net Profit After Taxation</b>		<b>35,79,783/-</b>
Add :Brought forward balance of loss		(2,38,27,222/-)
<b>Loss carried to Balance Sheet</b>		<b>2,02,47,439/-</b>

## **2. REVIEW OF OPERATIONS :**

Like the previous year this year also ended with an inflationary trend in input prices with overall rise in demand for products.

With due implementation of the said Hon'ble BIFR Order the Company has actually taken over and carried out the business and operations of the demerged New Unit of the Company. The financial results for the period under review therefore pertains to the single Unit i.e. New Unit at Kamptee Road, Nagpur which was retained by Company in pursuance of the Rehabilitation Scheme. As such the last year financial results were also prepared for the said New Unit only but on the basis of revision/ trifurcation of the results of all the three units of the Company. This year financial results are therefore comparable with the previous year.

As can be seen from the above, the Company achieved sales turnover of Rs.3875.29 (Ownunit :3,250.05 Lacs and Conversion / Service Rs.625.24 Lacs) Lacs (25229MT) and Conversion Services : Rs. 625.24 Lacs as against Rs. 2470.94 Lacs (7206.654 MT) and Conversion Services Rs. 451.37 Lacs during the last year respectively, registering thereby the growth in turnover of 30.84% over the previous year. After providing Rs. 68.11 Lacs for depreciation and Rs. 108.64 Lacs against interest and further adjusting Rs. 3.04 Lacs towards taxation, the Company earned net profit after tax of Rs. 35.80 Lacs as against Rs. 59.80 Lacs during the previous year.

The decline in profits despite higher sales turnover has been primarily due to higher prices of raw materials resulting in marginal profits, apart from other increased costs.

## **3. DIRECTORS :**

Smt. Poonam Sarda and Shri. Rajendra Prasad Mohanka, 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 .

## **5. SHARE CAPITAL:**

In terms of the provisions of Clause 8.6.1 read with Clause 9(a) of the Sanctioned Scheme approved by Hon'ble BIFR vide their Order dated 23.02.2010, the promoters of the Company were obliged to infuse in the Company the funds to the extent of Rs. 85.10 Lacs by way of equity.

Accordingly the Board of Directors of the Company at their meeting held on 31.03.2011 issued and allotted on preferential basis the 8,51,000 equity shares of Rs. 10/- each, credited as fully paid up, aggregating to Rs. 85,10,000/-, to the promoters of the Company. As a result the paid up share capital of the Company has been increased from Rs. 4,22,58,000/- to Rs. 5,07,68,000/- divided into 50,76,800 equity shares of Rs. 10/-, fully paid up. It is worth noting that the said issue of equity shares to the promoters was directed by Hon'ble BIFR to be made irrespective of all the applicable provisions of the Companies Act, 1956 and the SEBI, Stock Exchange Rules & Regulations. Further, the Company has made application to Bombay Stock Exchange for listing of these additional equity shares, which is presently under their consideration.

## **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 50<sup>th</sup> 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 due payment of the listing fees to all Stock exchanges in respect of the financial year 2011-2012. However, the Company has applied for delisting of its shares from Pune Stock Exchange, Ahmedabad Stock Exchange and The Calcutta Stock Exchange. The Company proposed to delist its shares due to high cost of the Company's shares on these exchanges and therefore to save the excess funds payable on account of listing fees every year.

## **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 as amended, 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 working capital requirements of the Company in 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 31.03.2011.
- 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. 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

**14. SECRETARIAL COMPLIANCE CERTIFICATE :**

The Company has obtained secretarial compliance certificate from Vilas Nichat, Practising Company Secretary, Nagpur and the same is attached hereto forming part of this Directors' Report.

**15. ACKNOWLEDGEMENT:**

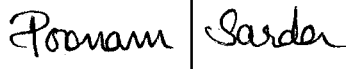
Your directors express their gratitude to Nagpur Nagrik Sahakari Bank Limited and other Bankers of the Company, various Government Departments, Financial Institutions and Business Associates for their continued financial assistance, co-operation and guidance extended to the Company during the year.

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 and confidence reposed in the Company.

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 29.08.2011

  
N.K.Sarda  
Chairman & Managing Director

  
Poonam Sarda  
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:**

- i The company has not effected any import or export during the year ended 31.03.2011.
- ii. The inflow of foreign exchange is Nil
- iii. The outflow of foreign exchange is Nil

**FORM 'A'**  
(See Rule 2)

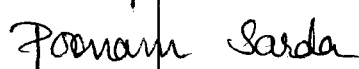
(From for Disclosure of Particulars with respect to Conversation of Energy)

	March 2011	March 2010
<b>D. Power and Fuel Consumption</b>		
1. Electricity		
a) Purchased : Units	36,34,320	30,12,989
Total Amount (Rs.)	1,87,16,748	1,56,53,483
Average Rate /Unit (Rs.)	5.15	5.20
b) Own Generation	NIL	NIL
2. Steam Coal :		
Quantity (Tonnes)	5,728	2,922
Total Cost (Rs.)	1,96,23,434	99,02,929
Average Rate / Tonne (Rs.)	3,426	3,389
3. Furnace Oil :		
Quality(K . Ltrs.)	352	166
Total Amount (Rs.)	97,61,631	41,17,115
AverageRate/ K.Ltrs.(Rs.)	27,732	24,802
4. Other / Internal Generation	NIL	NIL
5. Consumption per MT of production (Standards if any )		
Products (with details) unit		
Rolled Iron & Steel (in MT)	7,749	6,695
Electricity (in Units)	469,005	450,103
Furnace Oil (Secondary Fuel) (in Ltrs.)	45.42	24,798
Coal (Steam Coal 'B' Grade ) (in MT)	0.739	0.437
Excluding Shell & dust	NIL	NIL
Other (Specify)		

For and on behalf of the Board of Directors

Place : Nagpur  
Date : 29.08.2011

  
N .K. Sarda  
Chairman & Managing Director

  
Poonam Sarda  
Director



Zal Complex,  
2<sup>nd</sup> Floor, Residency Road,  
Sadar,  
Nagpur 440001  
Ph. : 0712-2520183  
Cell : 9373113082

**VILAS NICHAT**  
B.Sc., F.C.S.  
Company Secretary

## SECRETARIAL COMPLIANCE CERTIFICATE

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

Nominal Capital: Rs. 5,10,00,000/-

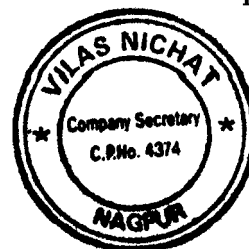
Paid-up Capital: Rs. 5,07,38,000/-

To,  
The Members  
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 31<sup>st</sup> March, 2011 (financial year from 01.04.2010 to 31.03.2011). 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 12 (Twelve) times respectively on 30.04.2010, 27.05.2010, 10.06.2010, 13.07.2010, 31.07.2010, 24.08.2010, 13.09.2010, 30.10.2010, 31.01.2011, 01.02.2011, 23.03.2011 and 31.03.2011. 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<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 ( both days inclusive) during the financial year. However, the previous notice thereof was not published in the newspapers
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 30.09.2010 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.

*Oliver*



(2)

7. One extra-ordinary general meeting was held after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
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 the 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 delivered all the certificates on allotment of securities and lodgment thereof for transfer /transmission in accordance with the provisions of the Act. .  
(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 appointment of Directors, additional directors, alternate directors, and directors to fill casual vacancies have 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.

*Shilpa*

