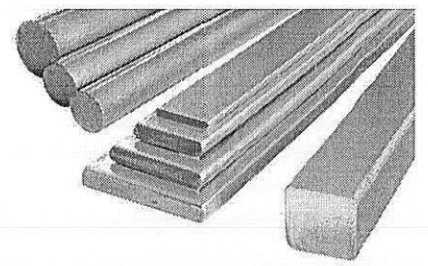


Sharda Ispat Ltd.

Regd. Off.: Kamptee Road, Nagpur - 44 00 26

Tel.: 0712 - 2245156, 2245888, | Email: shardaispat.ngp@gmail.com

Website: www.shardaispat.com | CIN No.: L74210MH1960PLC011830



October 01, 2018.

To,
Manager (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

Scrip Code: 513548

Dear Sir/ Madam,

Sub: - Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the Annual Report, which is approved and adopted in the 57th Annual General Meeting of the Company which was held on Saturday, 22nd September, 2018.

You are requested to kindly take the above information on record and oblige us.

Thanking you,

Yours Sincerely,
For Sharda Ispat Limited

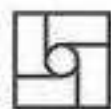
(Amit B. Mundada)
(Company Secretary & Compliance officer)



Encl:- As above

57th
Annual
REPORT

2017-2018

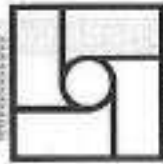


SHARDA ISPAT LIMITED
NAGPUR



INDEX

Sr.No.	Contents of the Annual Report	Page No.
1.	Notice of the Annual General Meeting	5-13
2.	Board's Report	14-27
3.	Independent Auditors Report & Balance Sheet	28-70
4.	Form No. AOC-2 (Related Party Transaction)	71-73
5.	Conservation of Energy Technology Absorption & Foreign Exchange Earnings and outgo	74-75
6.	Particulars of Employees	76-77
7.	Secretarial Audit Report	78-80
8.	Attendance Slip	81
9.	Form No. MGT-11 (Proxy Form)	82
10.	Form No. MGT-12 (Polling Paper)	83
11.	Road Map	84



SHARDA ISPAT LIMITED, Nagpur

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. SUBHASH CHAND JAIN
ANURAG & ASSOCIATES
Chartered Accountants,
Flat No. 203, Tower F, Godrej Anandam, World City,
Model Mill Compound, Ganeshpeth, Nagpur-18

Internal Auditor

: M/s. R.S. JAIN & ASSOCIATES
Chartered Accountants,
Sadar, Nagpur - 440001.

Bankers

: NAGPUR NAGARIK SAHAKARI BANK LTD.

Registered Office

: Kamptee Road, Nagpur - 440026
Phone No. 0712-2640071
E-mail : shardaispat.ngp@gmail.com

Corporate Office

: 'DA-ROCK', Plot No. 230, 6th Floor,
Hill Road, Shivaji Nagar, Nagpur-440010

Plant

: Kamptee Road, Nagpur - 440026

Address For

: **M/s. Adroit Corporate Services Pvt. Ltd.**

Correspondence to Share Department

17 - 20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Marol, Andheri (E), Mumbai - 400059

Website

: www.shardaispat.com

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

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

2. Nomination and Remuneration Committee

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

3. Stakeholders Relationship Committee

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

**SHARDA ISPAT LIMITED**

(CIN: L74210MH1960FLC011836)

Regd Office : Kamptes Road, Nagpur 440 026 Ph.: 0712- 2640071, 72
e-mail: shardaispat.ngp@gmail.com, website : www.shardaispat.com**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 57th Annual General Meeting of the Members of Sharda Ispat Limited will be held on Saturday, the 22nd day of September, 2018 at 10.00 a.m. (I.S.T), at the Corporate office of the Company at Da-rock, Plot no.230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur-440010, to transact the following business:

ORDINARY BUSINESS

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

"RESOLVED THAT the audited financial Statements for the financial year ended 31.03.2018 of the company and the Reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted."

2. 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 (DIN 00190512), the retiring director, be and is hereby re-appointed as Director of the Company, liable for retirement by rotation."

SPECIAL BUSINESS

3. To approve the Remuneration of the Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/re-enactment(s)/amendment(s) thereof, for the time being in force), the remuneration payable to M/s. Narendra Peshne and Associates, Cost Accountants, Nagpur (Firm Registration No. 100269) appointed by the Board of directors on the recommendation of Audit Committee, as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, amounting to Rs.30,000/- be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) or the Company Secretary be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."



4. RECLASSIFICATION OF SHAREHOLDERS FROM PROMOTER GROUP CATEGORY TO PUBLIC CATEGORY:

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

“RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 (**“SEBI Listing Regulations”**) and the arrangement/understanding between Shri. Nandkishore Sarda, Chairman & Managing Director of the Company and List of promoters of Shri J.K.Sarda group which holds 28.02% of Shares of the issued and paid-up share capital of the Company. As per the provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015, 10% shares of their total holding are reclassified from the “Promoter and Promoter Group” category to the “Public” category, in the shareholding pattern filed with the Stock Exchanges with effect from the date of this special resolution.

RESOLVED FURTHER THAT the J.K.Sarda group promoters has fulfilled all the following necessary requirements for reclassification as required under Regulation 31A of the SEBI Listing Regulations:

- That it does not have any special rights through formal or informal agreements.
- That it does not hold, individually or in aggregate, more than 10% of the paid up capital of the Company; and
- That it or any person nominated by it, does not and shall not act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval.

RESOLVED FURTHER THAT pursuant to the fulfillment of the above three conditions as per Regulation 31A of the SEBI Listing Regulations, J.K.Sarda group shall cease to be a part of the “Promoter Group” of the Company with effect from the date of this special resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to Shri.Nandkishore Sarda, Chairman and Managing Director of the Company in order to give effect to this Resolution including filing of necessary forms/returns with the Ministry of Corporate Affairs/Stock Exchanges/other authorities concerned.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4 and Section 13 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to amend the Memorandum of association of the Company with respect to the object clause (Clause III) of the Memorandum of Association of the Company



and such other amendments as may be required to align the Memorandum of Association with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT Shri. Nandkishore Sarda, Chairman and Managing Director of the Company be and is hereby authorised to do all such acts, deeds, things and to sign all such other documents (including without limitation making the appropriate e-filings with the Registrar of Companies, Mumbai/ Ministry of Corporate affairs), in connection with the amendment of Memorandum of Association of the Company, as approved by the Board and the members of the Company and/or generally to give effect to the foregoing resolutions."

For and on behalf of the Board of Directors

Date: 13.08.2018

Place: Nagpur

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

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.**

The instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto.
- 3) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- 4) The Register of Members and Share Transfer Books of the company will remain closed from 15.09.2018 to 22.09.2018 (both days inclusive).
- 5) The shareholders holding shares in physical mode are requested to intimate the changes, if any, in their registered address, Bank mandate i.e. name of bank, branch address, account



number, MICR/IFS Code to the Company and/or R & T Agent, or their respective Depository Participants (DPs), if the shares are held in demat mode.

- 6) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 7) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's R & T Agent, for consolidation into a single folio.
- 8) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's R & T Agent, mentioning your correct reference folio number in case of holdings in physical form.
- 9) In compliance with the provisions of Section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The e-voting period commences on Wednesday, September 19, 2018 (09:00 a.m.) (IST) and ends on Friday, September 21, 2018 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, Friday, September 14, 2018 (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 10) Non Resident Indian Members are requested to inform R & T Agent, immediately of:
 - a) Change in there residential status on return to India for permanent.
 - b) Notify immediately any change in there address.
 - c) Write to the Company's R & T Agent enclosing their share certificates for consolidation into one folio for better investor service, if they have more than one folio in identical order of name(s).

The instructions for shareholders voting electronically are as under:

1. The voting period begins on September 19, 2018 (09.00 A.M.) and ends on September 21, 2018 (05.00 PM IST). During this period shareholders* of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 14, 2018 of (Record Date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.



4. Click on Shareholders.
5. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.■ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation



box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
20. **Note for Non Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

21. In case of Members receiving the physical copy :

- (A) Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.
- (B) The voting period begins on Wednesday, September 19, 2018 at 09:00 a.m. IST and ends on Friday, September 21, 2018 at 5:00 p.m. IST. During this period, shareholders of the Company, holding shares as on Friday, September 14, 2018, (Cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at 'www.evotingindia.co.in' under help section or write an email to 'helpdesk.evoting@cdslindia.com'.

Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company. Members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, at M/s. Sunil Kumar Sharma &



Associates (Practicing Company Secretaries) 2nd Floor, Samarth Building, Sona Restaurant Square, C.A. Road, Gandhibagh, Nagpur-440002, Maharashtra, so as to reach by 5.00 p.m. on September 21, 2018. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) i.e. September 14, 2018.

The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results will be declared on 23rd of September, 2018.

22. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
23. M/s. Sunil Kumar Sharma & Associates (Practicing Company Secretaries) has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot, in a fair and transparent manner.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shardaispat.com and on the website of CDSL www.evoting.cdsl.com within 2 (two) days of passing of the resolutions at the 57th AGM of the Company on September 22, 2018 and communicated to the BSE Limited and Calcutta Stock Exchange, where the shares of the Company are listed.
25. The Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
26. Since the securities of the Company are already admitted on both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) the members have got option for dematerializing their shares.
27. Members are requested to make all correspondence relating to physical shares, transfer of shares, dematerialization of shares, bank mandate, registration of e-mail address to R & T Agent of the Company at the following address:

ADROIT CORPORATE SERVICES PRIVATE LIMITED

17 - 20, Jafferbhoy Industrial Estate, Makwana Road,

Marol Naka, Marol, Andheri (E)

Mumbai 400 059

**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 sets out the material facts relating to Special Business mentioned under Item no's 3, 4 and 5 in the accompanying Notice dated 13th August, 2018.

Item No.3

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with the Companies (Cost Records and Audit) Rules, 2014, (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), the Board of Directors of the Company shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as Cost Auditor, on the recommendations of the Audit Committee. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the Members. On the recommendation of Audit Committee at its meeting held on Wednesday, May 30, 2018, the Board has considered and approved appointment of M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur, for the conduct of the audit of cost records of the Company for the financial year 2018-2019, at remuneration as mentioned in the resolution forming part of this Notice. Accordingly, consent of the Members is sought to the Resolution as set out at Item No. 3 of the Notice as an Ordinary Resolution for approval and ratification.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No.4

In the disclosures filed with the Stock exchanges and other such communication and disclosures as required from time to time, the "Promoter and Promoter Group" Shareholding, includes J.K.Sarda group, which holds 28.02 % of the Share Capital of the Company. Pursuant to the arrangement/ understanding between Shri. Nandkishore Sarda, Chairman & Managing Director of the Company and J.K.Sarda group it has been agreed and acknowledged that J.K.Sarda group has comply with all the following conditions under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"):

- It does not have any special rights through formal or informal agreements.
- It does not hold, individually or in aggregate, more than 10% of the paid-up equity capital of the Company; and
- It, or any person nominated by it, does not and shall not act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval.

It has been further agreed that, in accordance with Regulation 31A of the SEBI Listing Regulations, J.K.Sarda group shall be reclassified from "Promoter and Promoter Group" category to "Public" category in the Shareholding pattern filed with respective stock exchanges. The Board of Directors of the Company has duly approved the same at its Board meeting held on 13th August, 2018.



In accordance with the Regulation 31A of the SEBI Listing Regulations, the said reclassification requires the approval of the stock exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter-alia, require that the Company obtain the consent of the shareholders of the Company, for the reclassification. In keeping with the requirement of the stock exchanges, the board recommends the resolution set out at item no.4 for the approval of the shareholders of the Company.

None of the directors or key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.4.

Item No.5

Upon enactment of the Companies Act, 2013, the memorandum of association of the Company were required to be re-aligned as per the provisions of the new Act.

Your directors' in its meeting held on 13th August, 2018 had approved (subject to the approval of the members) the amendment in the Memorandum of Association of the Company with respect to the following:

- a. Clause III- Main Objects of the Company by way of insertion (s)/deletion (s)/alteration(s).
- b. Other amendments required to align the existing memorandum of association with the provisions of the Companies Act, 2013.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company.

Your Directors recommend passing of this resolution by way of a Special Resolution.

None of the directors, KMPs, or their relatives are interested or concerned, in the resolution set out in item no.5.

For and on behalf of the Board of Directors

Date: 13.08.2018

Nandkishore Sarda

Chairman & Managing Director

Place: Nagpur

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,

Shankar Nagar, Nagpur-440010

**BOARD'S REPORT**

Dear Members,

The Board of Directors takes pleasure in presenting the Company's 57th Annual Report and the Standalone Audited financial statement on the business and operational performance of the Company for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS: (STANDALONE)

The Company financial performance for the year ended 31st March, 2018 is summarized below.

(Amount in Rs.)

Sr. No.	Particulars	2017-2018	2016-2017
1.	Gross Income	89,31,25,943	62,79,49,698
2.	Profit Before Interest and Depreciation	7,11,11,622	4,55,93,363
3.	Less: Finance Charges	62,51,560	1,18,98,457
4.	Gross Profit	6,48,60,062	3,36,94,906
5.	Less: Provision for Depreciation	26,21,017	23,99,539
6.	Profit Before Exceptional Item & Tax	6,22,39,045	3,12,95,367
7.	Net Profit Before Tax	6,22,39,045	3,12,95,367
8.	Less: Provision for Tax		
	a) Current Tax	(2,12,81,440)	(1,08,00,000)
	b) Income Tax (earlier years)	27,836	(6,34,303)
	c) Deferred Tax	1,51,038	4,76,744
9.	Net Profit After Tax	4,11,36,479	2,03,37,808
10.	Balance of Profit/(Loss) Brought Forward	(20,39,422)	(2,27,08,306)
11.	Other Comprehensive Income	13,38,974	3,31,078
12.	Surplus Carried to Balance Sheet	4,04,36,031	(20,39,422)

2. STATE OF COMPANY'S AFFAIRS:

Discussion on the state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

3. DIVIDEND:

No dividend was declared for the financial year 2017-18 due to conservation of profits by the Company.

4. AMOUNTS TRANSFERRED TO RESERVES:

Your Directors decided to transfer the amount of Rs. 4,04,36,030/- to the reserves.

5. INFORMATION ABOUT SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANY:

The Company has no Subsidiary, Joint Venture or Associate Companies during the financial year ending 31st March, 2018. Accordingly, a statement under the provisions of Section 129 (3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is not enclosed.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

7. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT:

No material changes and commitments which could affect the Company's financial position have occurred since the close of the financial year, i.e., March 31, 2018 till the date of this Board's Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

8. EXTRACT OF ANNUAL RETURN:

Pursuant to commencement notification dated 31st July, 2018 issued by the Ministry of Corporate affairs, an extract of the Annual Return of the Company, referred to in Section 92(3) of the Companies Act, 2013, in Form MGT-9 is available on the Company's website at the following link <http://shardaispat.com/investor/annualreturn>.

9. MEETINGS OF THE BOARD OF DIRECTORS:

The Board had five (5) Board Meetings during the financial year 2017-18.

Sr.No	Date	Board Strength	No. of Directors present
1.	30.05.2017	5	5
2.	14.08.2017	5	5
3.	12.12.2017	5	4
*4.	14.02.2018	5	3 (Only Non-Executive & Independent Directors)
5.	14.02.2018	5	5

(Note: - This Meeting is only for Non-Executive & Independent Directors)

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134 sub-section (3) (c) and (5) of the Companies Act, 2013, your Directors hereby state and confirm that:

- (i). In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii). Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2018 and of the Company's profit or loss for the year ended on that date.
- (iii). Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv). The annual financial statements have been prepared on a going concern basis.
- (v). That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.



- (vi). Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. STATUTORY AUDITORS AND THEIR REPORT :

In compliance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s)/ re-enactment(s)/ amendment(s) thereof, for the time being in force), M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Nagpur (Firm Registration Number 004733C), were appointed as Statutory Auditors at the 56th Annual General Meeting of the Company held on September 25th, 2017, to hold office for a term of five (5) consecutive years till the conclusion of the 61st Annual General Meeting, subject to the ratification at the Annual General Meeting in each of the subsequent years during the aforementioned term of their appointment.

However, with the Notification dated May 07th, 2018 issued by the Ministry of Corporate Affairs ('MCA'), the first proviso to Section 139 (1) of the Companies Act, 2013 pertaining to the requirement of annual ratification of the appointment of Auditors by Members is omitted.

Accordingly, as per the Companies (Amendment) Act, 2017, ratification of the appointment of Statutory Auditors during their period of appointment will not be considered.

The Auditor's report given by M/s. Subhash Chand Jain Anurag & Associates, Statutory Auditors, on the Financial Statements of the Company, for the year ended March 31, 2018, forms part of the Annual Report.

The Notes to financial statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. (Annexure-1)

12. LOANS, GUARANTEES AND INVESTMENTS:

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

There are no guarantees or securities granted or made any investments as referred to in Section 186 of the Companies Act, 2013.

13. PARTICULARS OF LOANS/ADVANCES/INVESTMENTS AS REQUIRED UNDER THE LISTING REGULATIONS:

The details of related party disclosures with respect to loans/advances/investments at the year end and the maximum outstanding amount thereof during the year, as required under (Part A) Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company. (Please refer Note No. 12 financial statements).

14. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS :

The internal financial control system in your Company commensurate with the size and nature of its operations and financial aspects. The periodic audits are conducted in various disciplines ensure adherence to the same. During the year, Internal Auditors of your Company have independently evaluated the adequacy and efficacy of the internal controls. The Board and management review the findings and recommendations of the audit committee as well as the auditors and take in that behalf the corrective actions, whenever necessary. The Board invariably monitors the accounting functioning in the Company and ensures that the accounting treatment are in conformity with the prescribed accounting standards and procedures in that behalf.



The Board also considers risk assessment, identification of mitigating actions and internal financial control procedure to ensure that business as well as financial risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

15. INDIAN ACCOUNTING STANDARDS:

Your Company has adopted Indian Accounting Standards ('IND AS') with effect from April 1, 2017. Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 read with Section 133 and other applicable provisions of the Companies Act, 2013. Previous periods figures have been re-stated to confirm to Ind AS, for comparative information.

Note No. 2 to the financial statement provides further explanation to the transition to Ind AS.

16. GOODS AND SERVICE TAX (GST) :

Goods and Service Tax (GST) came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India, the tax replaced existing multiple cascading taxes levied by the Central and State Governments.

Your Company has successfully implemented and migrated to GST followed by the change across various departments/ operations of the Company.

17. RELATED PARTY TRANSACTIONS :

All Related Party Transactions entered into by the Company during the financial year were in the ordinary Course of business and on an arm's length basis. Particulars of material contracts/ arrangements entered into by the Company with related parties referred to Section 188 (1) of the Companies Act, 2013 are provided in Form AOC-2, which is annexed herewith Annexure-2. Related party disclosures as per Accounting Standard 18 have been provided in Note '33' to the financial statements.

18. 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.

19. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Poonam Sarda (DIN 00190512) Director of the Company is retiring by rotation at the ensuing 57th Annual General Meeting and being eligible, offers herself for re-appointment.

During the period under review, Shri. Nandkishore Sarda, (DIN 00229911) (Chairman and Managing Director) was re-appointed as a Chairman and Managing Director of the Company, for a period of five (5) years with effect from 01st April, 2017, at the 56th Annual General Meeting of Members held on 25th September, 2017. His re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.



During the period under review, Smt. Poonam Sarda, (DIN 00190512) (Whole-time Director) was re-appointed as a Whole-time Director of the Company, for a period of five (5) years with effect from 01st April, 2017, at the 56th Annual General Meeting of Members held on 25th September, 2017. Her re-appointment and remuneration is in terms of Section 196, 197, 198, 200 and 203 read with Section II Part II, of schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

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

None of the Directors of your Company is 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.

Further, necessary resolutions relating to Directors who are seeking re-appointment, as required under Regulation 36 of the Listing regulations/ SS-2, is disclosed as part of the Notice dated 13th August, 2018 of the ensuing 57th Annual General Meeting.

Smt. Poonam Sarda was appointed as Director of the Company on 21.01.2010 and further as Whole-time Director on 01.04.2012 has been continued as Woman Director of the Company.

As of the requirement under the provisions of Section 203 of the Companies Act, 2013, the Board of Directors noted that Shri. Nandkishore Sarda (DIN 00229911), Chairman and Managing Director, Smt. Poonam Sarda, (DIN 00190512) Whole-time Director and Chief Financial Officer and Shri. Amit B. Mundada (Company Secretary and Compliance officer) are the key managerial Personnel of the Company as on the date of this Board's Report.

20. DECLARATIONS BY INDEPENDENT DIRECTOR'S :

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 16 (1) (b) of the listing Regulations, the company has received individual declarations from all the Independent Directors, whose names are appended herein below, confirming that they fulfill the criteria of independence as prescribed under Section 149(8) of the Companies Act, 2013 and the rules made there under to hold the office of Independent Director of the Company for the financial year ended March 31, 2018.

1. Shri. Rajendra Prasad Mohanka
2. Shri. Harish Dass
3. Shri. Ramesh Mantri

There has been no change in the circumstances which may affect their status as Independent Director during the financial year under review.

ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Obligations and Disclosure Requirements Regulations, 2015, the Board has carried out an annual performance evaluation of its own, Independent Directors, Executive Directors, Committees and Chairman of the Board.

A special exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as Attendance at meetings of the Board and Committees thereof, Participation in Board meetings or Committee thereof, Contribution to strategic decision making, Review of risk assessment and risk mitigation, Review of financial statements, business performance and Contribution to the enhancement of brand



image of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

Also, the Independent Directors, at their meeting held on 14th February, 2018 reviewed the performance of the Board, its Chairman and Executive Directors of the Company.

21. DEPOSITS:

The Company has not accepted/renewed any fixed deposits from the public or the Members, within the meaning of Section 73 of the Companies Act, 2013, read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2017-18 and as such, no amount of principal or interest on deposits from public or the Members, was outstanding as of the Balance Sheet date.

22. CORPORATE GOVERNANCE

In terms of Regulation 15 (2) of Listing Obligations and Disclosure Requirements Regulations, 2015 (LODR) the Company's Paid-up Equity Share Capital is not exceeding Rupees ten crore and net worth not exceeding Rupees twenty five crore. The Corporate governance provisions are not applicable to the Company including preparation of Report on Corporate governance. Hence Company has not prepared Report on Corporate Governance.

23. 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.

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 in Board meeting, subject to the subsequent approval of the Shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as 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.

24. COMMITTEES OF THE BOARD:

The Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Board Committees are set up under the formal approval of the Board to carry out clearly defined role which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to the Committee Meetings, as far as may be practicable. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for consideration and noting. The Company Secretary acts as the Secretary of all Committees.

**AUDIT COMMITTEE:**

In terms of Section 177 of the companies Act, 2013 the Audit Committee of Sharda Ispat Limited comprised of three directors. The board has accepted the recommendations of the Audit Committee. The table set out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Shri. Rajendra Prasad Mohanka	Chairman	Non-Executive Independent Director
Shri. Ramesh Mantri	Member	Non-Executive Independent Director
Shri. H. K. Dass	Member	Non-Executive Independent Director

NOMINATION AND REMUNERATION COMMITTEE:

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

Name of the Director	Position held in the Committee	Category of the Director
Shri. Rajendra Prasad Mohanka	Chairman	Non-Executive Independent Director
Shri. Ramesh Mantri	Member	Non-Executive Independent Director
Shri. H. K. Dass	Member	Non-Executive Independent Director

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. Regularly review the Human Resource function of the Company.
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.



8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

In accordance with the provisions of Section 178 (5) the Companies Act, 2013 a listed Company is required to have a 'Stakeholders Relationship Committee'. The Company already has its 'Stakeholders Relationship Committee'. The table sets out the composition of the Committee.

Name of the Director	Position held in the Committee	Category of the Director
Shri H. K. Dass	Chairman	Non-Executive Independent Director
Shri. Nandkishore Sarda	Member	Chairman and Managing Director (Executive Director)
Smt. Poonam Sarda	Member	Whole-time Director and CFO (Executive Director)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

As per the financial statement of the Company, the provision of Corporate Social Responsibility is applicable to the Company. The Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company in its Board Meeting held on 30th May, 2018. The CSR Committee comprising of the following members:

Name of the Director	Position held in the Committee	Category of the Director
Shri. Nandkishore Sarda	Chairman	Chairman and Managing Director (Executive Director)
Shri. Rajendra Prasad Mohanka	Member	Non-Executive Independent Director
Shri. Ramesh Mantri	Member	Non-Executive Independent Director

The CSR Policy of your Company as approved by the Board of Directors is hosted on the Company's website www.shardaispat.com.

25. SECRETARIAL AUDIT REPORT:

Pursuant to Provisions of Section 203 of the Companies Act, 2013 the Board has appointed M/s. Sunil Kumar Sharma and Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for the financial year 2017-18, at its meeting held on 14th February, 2018. The Secretarial Audit Report is annexed to this Board Report by way of Annexure-5.

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

The Company has taken initiative and is in process to remove suspension from Calcutta Stock Exchange.

26. APPOINTMENT OF COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 (including any amendment(s), modification(s), variation or re-enactment thereof for the time being in force), and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 30th May, 2018, have appointed M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur (Firm



Registration No.100269), as the Cost Auditors of the Company, for the financial year 2018-19, to audit the cost records maintained by the Company.

A resolution for ratification of the payment to be made for such appointment is included in the Notice of the ensuing 57th Annual General Meeting. A Certificate M/s. Narendra Peshne and Associates, has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed there under. For the financial year ending March 31, 2017, the Company has received the Cost Audit Report from M/s. Narendra Peshne and Associates, Cost Accountant, Nagpur and filed the same with Registrar of Companies, Mumbai on 21st August, 2017.

27. VIGIL MECHANISM / WHISTLE BLOWER POLICY :

As per Section 177 (9) and (10) of the Companies Act, 2013, the Company has established vigil mechanism named 'Whistle Blower Policy', wherein the employees/ directors can report the instances of unethical behaviour, actual or suspected fraud or any violation of the code of conduct and/ or laws applicable to the Company and seek redressal. This mechanism provides appropriate protection to the genuine whistle blower, who avails of the mechanism. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on the website of the Company.

28. RISK MANAGEMENT POLICY :

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account 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.

The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives :

- (a). Provide an overview of the principles of risk management.
- (b). Explain approach adopted by the Company for risk management.
- (c). Define the organisational structure for effective risk management.
- (d). Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- (e). Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In terms of Provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**30. SHARES:****a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

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

The Company has not issued any Sweat equity shares during the financial year under review and hence no information as per provisions of Section 54 (1)(d) of the Companies Act, 2013 read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

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

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

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

The Company has not issued any equity shares under the Employees Stock Option Scheme during the financial year under review and hence no information as per provisions of Section 62(1) (b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

f. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 and hence no information has been furnished.

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

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal (s) impacting the going concern status of the Company and its business operations in future.

32. SHARES IN SUSPENSE ACCOUNT:

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

33. REPORTING OF FRAUDS:

There have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments), during the financial year under review, to the Audit Committee or the Board of Directors and hence, as such there is nothing to report by the Board of Directors and hence, as such there is nothing to report by the Board under Section 134(3)(ca) of the Companies Act, 2013.

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

Pursuant to Clause 9 of the Revised Secretarial Standard-1 (SS-1), your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the financial year under review.

**35. MANAGEMENT DISCUSSION AND ANALYSIS :****ECONOMY :**

During the Financial year under review, the global economy continued its momentum of growth and registered a hike of 3.8%, its strongest level since 2011, as more than half of the world's economies registered growth. The growth happened owing to an increase in manufacturing activity, private consumption, investments and global trade. The growth was broad based, with growth increasing in more than half of the world's economies aided by benign global financing conditions, revival in investment sentiment, accommodative monetary policies and higher commodity prices. The growth was higher as compared to the initial estimates with upside surprises in the second half of 2017 in advanced as well as emerging and developing countries.

The United States of America ('US') witnessed a growth of 2.3% on the back of strong external demand, private investment and a weaker dollar. Demand was positively affected by the overhaul of the tax code in 30 years - the corporate income tax rate was slashed to 21% from 35% and taxes for households were also lowered. Strong domestic demand is also a recurring theme in Europe and Asia. Euro area registered a growth of 2.4%, which is almost 0.6% higher than the previous year. Policy stimulus and strengthening global demand has contributed to this increase in growth. In Japan, strong domestic demand aided by recovery in consumer spending and investment helped to achieve growth of 1.7%. Among the emerging and developing economies, China continued to maintain its growth rate at approximately 7%, aided by policy support and recovery in trade. Growth in Middle-East and sub-Saharan Africa was impacted by geo-political/domestic conflicts. Overall, improved growth in US, Europe and other key regions more than offset the lower growth in other regions and helped sustain growth momentum.

Growth in India was 6.7% owing to consumption led growth influenced by Government policies and investments. The IMF estimates that Advanced economies are expected to maintain their growth momentum in 2018. Outcome of the Brexit negotiations is likely to impact the pace of recovery in UK as well as the Eurozone economy. The global recovery offers a window of opportunity to strengthen policies and reforms that sustain the current upswing and raise medium-term growth for the benefit of all countries. According to the IMF, such policies should focus on reinforcing the potential for higher and more inclusive growth, building buffers to deal more effectively with future economic headwinds and fostering international cooperation. As per IMF, India is expected to grow between 7.0% to 7.5% in Financial Year 2018-19 aided by rural development, infrastructure investment and expansion of manufacturing activity.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

Global steel markets continued their recovery in Financial Year 2017-18. Steel prices were up across the regions aided by growth in regional demand, supply side reforms in China and low inventory levels. During 2017, global steel demand grew by nearly 2% to 1.58 billion tones while the global crude steel production increased by 4% to 1.7 billion tones, as compared to the previous year. Policy led capacity cuts have led to improved utilisation levels in China. A low base-effect of 2016, along with improved steel consumption in China and investment-led recovery in advanced economies were the key factors driving this momentum. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Advanced economies are expected to grow at a steady pace while much of the growth is likely to be witnessed in Asia, Middle-East and North Africa.

Blended realization of steel companies improved 10-20% in Q1 of FY 2018 compared with Q1 of FY 2017 but were flat compared with Q4 of FY 2017. Net sales realization of steel products are looking up for two reasons: increased cost of coking coal and other input materials and



internationally steel prices are now higher than in India. Steel spreads might get squeezed with volatility in coking coal prices, higher iron ore costs and strength of the Indian rupee limiting the scope for domestic price hikes.

India's prospects continue to remain bright considering that India's per capita consumption of approximately 65 kg is one-third of the global average and government intends to increase it to approximately 160 kg by Financial Year 2031 (CAGR approximately 8%) under the National Steel Policy. Public investment, government initiatives such as 'Make in India', Smart cities and focus on rural development is likely to support growth in domestic demand while headwinds exist in the form of increased competitiveness and possible delay in increase of investment cycle particularly private investments. As per WSA, Indian steel demand is expected to grow at 6-7% per annum in the next two years.

OPPORTUNITIES AND THREATS :

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location in Nagpur offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel. The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in opportunity grabbing may result in loss in revenue generation and rise in costs.

SEGMENTWISE OR PRODUCT-WISE PERFORMANCE :

The Company operates in only one segment i.e. iron & steel. During the financial year 2017-18 the Company achieved production of Steel product as under:

Own Unit - 16,886.254 MT (Previous Year 13,718.740 MT)

Sales (Rs.) - 8,597.88 Lacs (Previous Year 5968.78 Lacs)

Conversion Service - 8,113.106 MT (Previous Year 10053.240 MT)

Sales (Rs.) - 273.32 Lacs (Previous Year 281.84 Lacs)

OUTLOOK FOR STEEL INDUSTRY :

India's steel production grew 4.5% to its highest ever level of 102 million tones in FY18. The Government of India has been proactive in addressing the issues faced by domestic steel makers. It has taken major steps to stop unfair trade and to safeguard the interests of domestic players. This has been accompanied by recovery in construction activity and shut down of excess capacities in China. China has phased out capacities to the tune of 115 million tones in the past two years; and is gearing up for another production cut of 30 million tones in 2018. India's construction activity, particularly in highways, bridges and metro lines has bolstered the demand for long steel products in recent times. Given their size, long steel products are relatively difficult to ship and hence most contractors are sourcing them locally. Governmental measures such as the National Steel Policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the growth of domestic steel sector in India. Additionally, the Government has earmarked 14.3 lakh crore towards infrastructure spending, which will also enhance steel demand in the domestic market.



The National Steel Policy, 2017 (NSP) aims to make India a self-sufficient steel producing nation by 2030. The Policy will promote the indigenous industry to eliminate steel imports in the country by 2030. The acquisition of debt-laden steel companies will reduce the time for ramping up existing capacities. Investments worth US\$210 billion would be required to achieve the targeted steel capacity of 300 million tones by 2030. Overall, the NSP will empower domestic steel makers by making them more competitive globally. The allocation towards building houses in rural and urban areas under the PMAY scheme stood at 275 billion in the Union Budget 2018-19. Rising transparency in the real-estate sector following the implementation of The Real Estate (Regulation and Development) Act has bolstered the confidence of both investors and home buyers. In this scenario, housing demand is likely to accelerate going forward, leading to higher steel demand in the domestic market.

In the domestic market as well, there are multiple catalysts to drive steel industry growth. Relatively lower per capita steel consumption, healthy prospects of consumption demand on the back of buoyant infrastructure growth and strong growth in the automobile and railways sector being the prominent ones. Against this backdrop, it is expected domestic steel demand would grow by around 5% in the financial year 2018-19.

RISK & CONCERNS:

Your Company has identified major areas of risk and concerns and increased focus thereon to ensure achievement of the organizational objectives. The Company has a well defined structure and proactive approach to assess, monitor and mitigate risks associated with these areas, as briefly enumerated below:

- a) Systems - Your Company has implemented ERP, the software for Enterprise Resource Planning and integrated its operations to use best business and commercial practices.
- b) Statutory Compliances - Procedure is in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors at its meetings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company employs an adequate and effective system of internal control commensurate with its size and nature of that provides for assurance of the efficiency of operations, security of Company's assets, accurate and prompt recording of transactions, efficient Management Information Systems and compliance with the prevalent statutes, accounting standards.

The internal control is supplemented by an extensive review by internal auditors. The prime objective of internal audit is to test the adequacy and effectiveness of internal controls laid down by the management and to suggest improvements. Observations of the internal auditors are subject to periodic review and compliance monitoring. The Audit Committee of the board reviews the significant observations made by internal auditors along with status of action thereon.

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness was observed in the design or implementation.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the fiscal year 2017-18, the Company achieved the sales turnover of Rs. 8,871.19 Lacs (Own Unit Rs. 6,597.88 Lacs (16,886.254 MT) and Conversion / Service Rs.273.32 Lacs (8,113.106 MT) as against Rs. 8,250.82 (Own Unit Rs. 5,968.78 Lacs (13,718.740 MT) and Conversion/ Service Rs.281.84 Lacs (10,053.240 MT)) during the previous year. After providing depreciation of Rs. 26.21 Lacs and Rs.62.52 Lacs towards interest and further adjusting Rs.



211.03 Lacs for taxation (net) the Company posted net profit after tax of Rs. 411.36 Lacs as against Rs. 203.38 Lacs during the last year. The operational performance of the Company was improved. Since the Company has witnessed a tremendous increase in the amount of production due to the total activity in the steel end use sectors especially automotive sector rose by 4%.

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

The Company recognizes the importance of human resources in realizing its growth ambitions and believes in nurturing talent within the organization to take up leadership positions. The Company increased its more concentration on the development of Human Resources than any other Resources. The Company took adequate steps for maintaining safety and healthy environment for the workers. The Industrial relations continue to be cordial, throughout the year. Your Directors place on record their sincere appreciation for the excellent team work displayed by the employees of the Company. During the year ended 31.03.2018 the total number of employees employed by the Company was 38 (Thirty eight).

36. ACKNOWLEDGEMENT:

The directors would like to express their sincere appreciation of the co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your 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:13.08.2018

Place: Nagpur

For and on behalf of the Board of Directors

Nandkishore Sarda

Chairman & Managing Director

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,

Shankar Nagar, Nagpur-440010



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Sharda Ispat Limited, Nagpur

1. REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **Sharda Ispat Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2018, Statement of Profit and Loss (Including Other Comprehensive Income), the Cash flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule 2015, as amended and other accounting principles generally accepted in India.

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 judgment 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.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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 statements.

4. OPINION

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 Act in the manner required and give a true and fair view in conformity with the Ind AS and other accounting principle



generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. OTHER MATTERS

The comprehensive financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statement, are based on the statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 30th May 2016 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustment made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

6. Report on Other Legal & Regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Cash Flow Statement and Statement of Changes in Equity 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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - (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, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Nagpur, dated the
30th May, 2018

For Subhash Chand Jain
Anurag & Associates
Chartered Accountants
Firms Reg. No. 004733C
CA. Swastik Jain
Partner (M.No.111580)



"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
 - (b) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has granted loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. The term and condition of the grant of loan are not prejudicial to the company interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/ services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there is no undisputed amount payable in respect of the



same which were in arrear at the year-end for a period of more than six months from the date they become payable.

- (b) There are no dues outstanding in respect of Sales Tax, Wealth Tax, Service Tax, duty of customs, duty of excise, value added tax and cess on account of any dispute except income Tax which are as under.

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Forum where Dispute is pending
1.	Central Excise Act	Excise Duty	12,57,012	High Court, Delhi
2.	Central Excise Act	Penalty	2,24,000	Commissioner of Central Excise, Indore
3.	Central Excise Act	Excise Duty & Penalty	17,60,778	CEGAT, Mumbai (Appeals), Nagpur
4.	Central Excise Act	Excise Duty & Penalty	22,64,530	Add. Commissioner of Central Excise, Custom and Service Tax, Nagpur
5.	Central Excise Act	Excise Duty & Penalty	19,63,762	Jt. Commissioner of Central Excise, Custom and Service Tax, Nagpur
6.	Central Excise Act	Excise Duty & Penalty	3,74,578	Dy. Commissioner, Central Excise, Division I, Nagpur
7.	Central Excise Act	Service Tax	1,15,559	Dy. Commissioner, Service Tax Cell, Nagpur
8.	Bombay Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	13,08,650	Joint Commissioner of Sales Tax (Appeals), Nagpur
9.	Central Sales Tax Act (1999-00)	Sales Tax, Interest and Penalty	2,37,211	Joint Commissioner of Sales Tax (Appeals), Nagpur
10.	Bombay Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	1,21,62,805	Joint Commissioner of Sales Tax (Appeals), Nagpur
11.	Central Sales Tax Act (2000-01)	Sales Tax, Interest and Penalty	30,15,700	Joint Commissioner of Sales Tax (Appeals), Nagpur
12.	Income Tax Act, 1961(A.Y. 2009-10)	Income Tax and Interest	2,54,86,454	Commissioner of Income Tax (Appeals), Nagpur
13.	Income Tax Act, 1961(A.Y. 2014-15)	Income Tax	1,52,630	Commissioner of Income Tax (Appeals), Nagpur
14.	Central Excise Act	Excise Duty & Penalty	2,41,966	Commissioner of Central Excise, City-I Nagpur.



- (vii) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly the provisions of paragraph 3 (ix) of the Order is not applicable.
- (x) No fraud on or by the Company has been noticed or reported during the period covered by our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (x) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Nagpur, dated the
30th May, 2018

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

CA. Swastik Jain
Partner (M.No.111580)



**“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 (l) 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, 2018 in conjunction with our audit of the IndAS 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, 2018, 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.

Nagpur, dated the
30th May, 2018

For Subhash Chand Jain
Anurag & Associates
Chartered Accountants
Firm's Reg. No. 004733C

CA. Swastik Jain
Partner (M.No 111580)



BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I ASSETS				
1. Non-Current Assets				
(a) Property, plant and equipment	4	22,150,729	24,262,541	23,919,900
(b) Intangible assets	5	190,668	10,000	10,000
(c) Financial assets				
(i) Investments	6	3,262,600	3,262,600	3,262,600
(ii) Other financial assets	7	4,554,812	7,212,246	7,208,570
(d) Other assets		32,128	7,605	33,566
Total Non-Current Assets		30,190,937	34,744,992	34,434,636
2. Current Assets				
(a) Inventories	8	60,720,682	96,271,660	103,830,942
(b) Financial assets				
(i) Trade receivables	9	96,410,577	48,623,738	37,007,939
(ii) Cash and cash equivalents	10	5,176,930	1,736,844	3,376,404
(iii) Bank balances other than (i) above	11	4,040,463	284,559	257,234
(iv) Loans	12	111,071,945	32,046,043	104,200
(v) Other financial assets	7	596,825	626,717	297,883
(c) Other assets	13	27,848,664	27,272,144	26,157,602
Total Current Assets		305,836,286	206,863,705	171,032,204
TOTAL ASSETS		336,027,223	241,608,697	205,466,840
II EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital	14	50,768,000	50,768,000	50,768,000
(b) Other equity	15	70,315,031	27,839,578	7,170,692
Total Equity		121,083,031	78,607,578	57,938,692
2. Liabilities				
(i) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,326,208	1,754,740	-
(b) Provisions	17	2,818,054	2,420,851	2,261,340
(c) Deferred Tax Liabilities (Net)	18	3,006,856	3,157,893	3,634,637
Total Non-Current Liabilities		7,151,118	7,333,484	5,895,977
(ii) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	72,462,684	72,663,059	90,464,630
(ii) Trade payables	19	114,437,042	57,443,626	18,872,604
(iii) Other financial liabilities	20	687,589	3,093,956	3,730,140
(b) Other current liabilities	21	10,275,954	15,539,431	26,880,585
(c) Provisions	17	1,949,646	1,586,263	1,132,508
(d) Current tax Liabilities (Net)	22	7,980,159	5,339,298	551,704
Total Current Liabilities		207,793,074	155,667,634	141,632,171
Total Liabilities		214,944,192	163,001,118	147,528,148
TOTAL EQUITY AND LIABILITIES		336,027,223	241,608,697	205,466,840

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

SUBHASH CHAND JAIN ANURAG & ASSOCIATES

Firm Registration No. 004733C

Chartered Accountants

CA SWASTIK JAIN

PARTNER

Membership No. 111580

Nagpur

Date: 30th May, 2018

(Amit B. Mundada)
(Company Secretary)

(Nandkishore Sarda)
(Chairman cum Managing Director)
(DIN 00228911)

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

STATEMENT OF PROFIT AND LOSS FOR THE
YEAR ENDING 31ST MARCH, 2018

PARTICULARS	NOTE NO.	31-03-2018	31-03-2017
I Income			
Revenue from Operations	21	887,119,407	625,061,588
Other Income	22	6,006,536	2,888,130
Total Income		893,125,943	627,949,698
II Expenses			
Costs Of Material Consumed	23	628,668,446	394,914,021
Changes in Inventories of Finished Goods	24	33,993,290	20,158,440
Excise Duty on Finished Goods		19,425,046	66,333,501
Employee Benefits Expense	25	20,568,102	15,225,110
Finance Costs	26	6,251,580	11,898,457
Depreciation and Amortisation Expenses	27	2,621,017	2,309,539
Other Expenses	28	119,359,437	85,725,263
Total Expenses		830,886,898	596,654,331
III Profit / (Loss) before Tax		62,239,045	31,295,367
IV Tax Expense			
(1) Current Tax		(21,281,440)	(10,800,000)
(2) Deferred tax (charge) / credit		151,038	476,744
(3) Excess / (Short) provision for taxation in respect of earlier years		27,836	(634,303)
		<u>(21,102,566)</u>	<u>(10,957,559)</u>
V Profit / (Loss) for the Year		41,136,479	20,337,808
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit plans		1,338,974	331,078
		<u>42,475,453</u>	<u>20,668,886</u>
VII Total comprehensive income for the year			
VIII Earning per equity share of nominal value of 10/- each (Basic and Diluted)	29	6.10	4.01

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Director

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

CA SWASTIK JAIN
PARTNER
Membership No. 111580

Nagpur
Date: 30th May, 2018

(Nandkishore Sard
Chairman cum Managing Director
(DIN 0022991

(Poonam Sard
Whole Time Director & CP
(DIN 0019051

(Amit B. Mundac
Company Secretary

**Cash Flow Statement for the year ended 31st March, 2018**

A)	Cash Flow From Operating Activities	2017-18	2016-17
	Net Profit (Loss) before tax & extra ordinary items	62,239,045	31,295,367
	Adjustments for:		
	i) Depreciation	2,621,017	2,399,539
	ii) Remeasurement of net defined plan	1,338,974	331,078
	iii) Interest Paid	6,251,560	11,898,457
	iv) Interest Received	(6,006,536)	(2,888,130)
	Operating Profit before Working Capital Changes :	<u>66,444,060</u>	<u>43,036,311</u>
	Adjustments for:		
	i) Decrease/(Increase) in Trade & Other Receivables	(47,786,839)	7,585,243
	ii) Decrease/(Increase) in Inventories	35,550,978	(11,615,799)
	iii) Increase/(Decrease) in Trade Payable & Other Liabilities	57,390,619	36,892,934
	iv) Increase/(Decrease) in other non current liability and provision	(7,308,461)	(9,683,984)
	v) Decrease/(Increase) in other financial asset and other asset	2,060,891	(33,617,471)
	Cash Generation from Operations	<u>106,351,248</u>	<u>32,597,235</u>
	Add: Taxes Paid	(18,612,744)	(6,060,623)
	Net Cash from Operating Activities (A)	<u>87,738,504</u>	<u>26,536,612</u>
B.	Cash Flow From Investing Activities		
	Purchase Of Fixed Assets	(699,873)	(2,732,180)
	Loan given during the year	(79,025,902)	-
	Interest Received	6,061,728	2,530,620
	(Investment)/ Redemption of Bank deposits	(3,755,904)	(27,325)
	Net Cash from Investing Activities (B)	<u>(77,419,951)</u>	<u>(228,885)</u>
C.	Cash Flow From Financing Activities		
	Increase/(Decrease) in the Borrowings from Bank	(628,907)	(16,046,830)
	Interest Paid	(6,251,560)	(11,898,457)
	Net Cash from Financing Activities (C)	<u>(6,880,467)</u>	<u>(27,945,287)</u>
	Net Increase/(Decrease) in Cash & Cash Equivalents A+B+C	<u>3,438,086</u>	<u>(1,637,560)</u>
	Cash & Cash Equivalents at beginning of the year	<u>1,738,844</u>	<u>3,376,404</u>
	Cash & Cash Equivalents at the year end	<u>5,176,930</u>	<u>1,738,844</u>

SUBHASH CHAND JAIN ANURAG & ASSOCIATES

Firm Registration No. 004733C

Chartered Accountants

CA SWASTIK JAIN

PARTNER

Membership No. 111583

Nagpur

Date: 30th May, 2018

(Nandkishore Sarda)

(Chairman cum Managing Director)

(DIN 00229911)

(Poonam Sarda)

(Whole Time Director & CFO)

(DIN 00190512)

(Amit B. Mundada)

(Company Secretary)



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

	Notes	Amount
A. EQUITY SHARE CAPITAL		
As at 1st April, 2016	13	50,768,000
Changes in equity share capital		-
As at 31st March, 2017		50,768,000
Changes in equity share capital		-
As at 31st March, 2018		50,768,000

B. OTHER EQUITY

	Reserves and Surplus			Total
	Securities Premium reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2016	2,500,000	27,379,000	(22,708,308)	7,170,692
Profit / (Loss) for the year	-	-	20,337,808	20,337,808
Remeasurement of net defined benefit recognised in other comprehensive income	-	-	331,078	331,078
Balance at 31st March, 2017	2,500,000	27,379,000	(2,039,422)	27,839,578
Balance at 1st April, 2017	2,500,000	27,379,000	(2,039,422)	27,839,578
Profit / (Loss) for the year	-	-	41,136,479	41,136,479
Remeasurement of net defined benefit recognised in other comprehensive income	-	-	1,338,974	1,338,974
Balance at 31st March, 2018	2,500,000	27,379,000	40,436,031	70,315,031

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Firm Registration No. 004733C
Chartered Accountants

CA SWASTIK JAIN
PARTNER
Membership No. 111580

Nagpur
Date: 30th May, 2018

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

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

(Amit B. Mundada)
(Company Secretary)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018****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 2018.

Note 2. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the IndAS standards and the adoption was carried out in accordance with IndAS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 37.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is stated inclusive of excise duty and excludes sales tax/ value added tax (VAT) / Goods and Service Tax (GST)

The specific recognition criteria described below must also be met before revenue is recognised

A. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

**B. Interest and dividend:**

Interest income including income arising on other instruments recognised on time proportion basis taking into account the amount outstanding and the rate applicable

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

C. Others :

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

II. Property plant and equipment, investment property and depreciation / amortisation

A. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.

B. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

C. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated on pro-rata basis.

Asset Category	Estimated useful life (in Years)
Plant and Machinery	15
Computer servers and network systems	6
Computer desktops and laptops	3
Office Equipments	5
Vehicles	8
Furniture and Fixture	10
Factory Equipment	5
Factory Building	30

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

D. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 of its Property, Plant and Equipment and Investment property and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2016.

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 initially measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also



recognises a collateralised borrowing for the proceeds received.

B. Financial Liabilities

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

i Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

V. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for



derecognition under IndAS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VI. Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or



constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

VII. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

VIII. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

The raw material & Stores & Spares are valued at cost. The cost includes duties & taxes other than credits availed under modvat and is arrived at on First in First out basis.

IX. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the



end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

X. Trade receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XI. Employee benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods.

The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave Entitlement

The company has a scheme for leave encashment for employees. The liability for which is determined on estimation basis as per rules of the company.

XII. Borrowings and Borrowing costs

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use are allocated as part of the cost of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are



charged to the Profit and Loss Account.

XIII. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XIV. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XV. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XVI. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018
Note 4. Property, plant and equipment and capital work-in-progress

(In Rs.)

	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fixings	Computers	Servers and Networks	Vehicles	Total
Cost or deemed cost									
Balance at 1st April, 2016	20,670,231	141,883,009	196,146	1,367,305	2,429,331	394,564	223,122	4,859,598	171,423,306
Additions	-	-	-	246,114	80,881	96,620	-	2,308,565	2,732,180
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2017	20,670,231	141,883,009	196,146	1,613,419	2,510,212	491,184	223,122	7,168,163	174,155,486
Accumulated depreciation and impairment									
Balance at 1st April, 2016	13,348,781	131,111,110	30,519	589,428	264,939	269,303	39,324	1,830,014	147,503,406
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Depreciation expense	580,084	513,748	37,246	221,285	231,965	64,407	35,306	713,472	2,392,539
Balance at 31st March, 2017	13,928,865	131,624,858	87,765	810,705	496,901	333,710	74,650	2,543,491	149,982,945
Carrying amount as at 31st March, 2017	6,741,366	10,258,151	108,381	802,714	2,013,311	157,474	148,472	4,624,672	24,172,541

	Building	Plant and Machinery	Factory Equipment	Office Equipment	Furniture and Fixings	Computers	Servers and Networks	Vehicles	Total
Cost or deemed cost									
Balance at 31st March, 2017	20,670,231	141,883,009	196,146	1,613,419	2,510,212	491,184	223,122	7,168,163	174,155,486
Additions	-	-	-	165,897	358,710	47,766	-	-	512,373
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31st March, 2018	20,670,231	141,883,009	196,146	1,779,316	2,868,922	538,950	223,122	7,168,163	174,667,859
Accumulated depreciation and impairment									
Balance at 31st March, 2017	13,928,865	131,624,858	87,765	810,705	496,901	333,710	74,650	2,543,491	149,982,945
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Depreciation expense	580,084	499,019	37,246	246,940	263,239	78,257	35,327	874,073	2,614,185
Balance at 31st March, 2018	14,508,949	132,123,877	125,011	1,057,645	762,140	411,967	109,977	3,417,564	152,517,131
Carrying amount as at 31st March, 2018	5,561,282	9,759,132	71,135	661,671	2,106,782	126,983	113,145	3,750,599	22,150,729

Note : The Car Audi A8 and Innova Crysta has been registered in the name of the Chairman cum Managing Director as the loan was obtained in the personal capacity due to the personal guarantee of the Chairman Cum Managing Director. The absolute possession of cars is with the company. The gross value of car is Rs 71,68,163. (Previous year Rs 71,68,163)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 5. Intangible assets

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01-Apr-16
Carrying amounts of :			
Computer software	<u>190,668</u>	<u>10,000</u>	<u>10,000</u>
	Computer software		
Cost or deemed cost			
Balance at April 1, 2016	<u>200,000</u>		
Additions	-		
Disposals	-		
Balance at March 31, 2017	<u>200,000</u>		
Accumulated depreciation and impairment			
Balance at April 1, 2016	<u>190,000</u>		
Eliminated on disposal of assets	-		
Depreciation expense	-		
Balance at March 31, 2017	<u>190,000</u>		
Carrying amount as at March 31, 2017	<u>10,000</u>		
Cost or deemed cost			
Balance at March 31, 2017	<u>200,000</u>		
Additions	187,500		
Disposals	-		
Balance at March 31, 2018	<u>387,500</u>		
Accumulated depreciation and impairment			
Balance at March 31, 2017	190,000		
Eliminated on disposal of assets	-		
Depreciation expense	6,832		
Balance at March 31, 2018	<u>196,832</u>		
Carrying amount as at March 31, 2018	<u>190,668</u>		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Note 6. Investments			
Non Current			
Investment in equity instruments (Unquoted)			
65,252 Equity Shares of Nagpur Nagrik Sahkari Bank	3,262,600	3,262,600	3,262,600
Total	3,262,600	3,262,600	3,262,600
Aggregate amount of unquoted investments	3,262,600	3,262,600	3,262,600
Aggregate provision for diminution in value of investments:			
Note 7. Other financial assets			
Non-current			
Deposits with maturity more than twelve months	2,149,000	3,428,771	3,428,771
Security deposits	2,405,812	3,783,475	3,779,799
Total	4,554,812	7,212,246	7,208,570
Current			
Interest Receivable	566,325	621,517	292,683
Other Debit balances	500	5,200	5,200
Total	566,825	626,717	297,883
Note 8. Inventories			
Inventories (lower of cost or net realisable value)			
- Raw Material	21,306,487	23,343,615	11,316,083
- Finished Goods	36,202,106	70,195,396	90,353,836
- Stores and Spares	3,212,089	2,732,649	2,161,023
Total	60,720,682	96,271,660	103,830,942
Note 9. Trade Receivables			
Current			
Trade Receivables	96,410,577	48,623,738	37,007,939
Total	96,410,577	48,623,738	37,007,939
Note 10. Cash and cash equivalents			
Balances with banks:			
- in current accounts	5,163,252	1,865,981	3,309,230
Cash on hand	13,678	72,863	67,174
Total	5,176,930	1,738,844	3,376,404



PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Note 11. Other bank balances			
Other Bank Balances:			
Deposits with maturity of more than three months but less than twelve months	4,040,463	284,559	257,234
Total	4,040,463	284,559	257,234
Note 12. Loans			
Current			
Loans to related parties	110,898,795	31,890,843	-
Loans to employees	173,150	155,200	104,200
Total	111,071,945	32,046,043	104,200
Note 13. Other assets			
Non Current			
Advance Rentals	32,128	7,605	33,566
Total	32,128	7,605	33,566
Current			
Advance for Purchases	1,087,790	499,296	2,662,628
Prepaid Expense	149,434	530,197	978,348
Balance with Statutory Authorities	23,343,872	24,870,761	22,389,868
Others	3,267,768	1,371,890	126,758
Total	27,848,864	27,272,144	26,157,602
Note 14. Equity share capital			
Authorised Share Capital :			
51,00,000 (As at 31st March, 2017 : 51,00,000; As at 1st April, 2016: 51,00,000)	51,000,000	51,000,000	51,000,000
Ordinary Equity Shares of `10 each	51,000,000	51,000,000	51,000,000
Total	51,000,000	51,000,000	51,000,000
Issued and subscribed capital comprises:			
Ordinary Equity Shares			
50,76,800 (As at 31st March, 2017; 50,76,800; As at 1st April, 2016: 50,76,800)	50,768,000	50,768,000	50,768,000
Equity Shares of `10/- each fully paid up	50,768,000	50,768,000	50,768,000
Total	50,768,000	50,768,000	50,768,000
a) Reconciliation of Number of shares outstanding at the beginning and at the end of the year			
Ordinary Equity Shares	Number of shares	Share Capital (`)	
Balance at 1st April, 2016	5,076,800	50,768,000	
Add / (Less) : Issued / (Bought back) during the year	-	-	
Balance at 31st March, 2017	5,076,800	50,768,000	
Add / (Less) : Issued / (Bought back) during the year	-	-	
Balance at 31st March, 2018	5,076,800	50,768,000	

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

- i. The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, in proportion to their shareholding.

c) Details of shares held by each shareholders holding more than 5% shares**I. Equity Share Capital**

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares held	% holding of this class of shares	No. of shares held	% holding of this class of shares	No. of shares held	% holding of this class of shares
Ordinary Equity Shares						
Kyoto Merchandise Private Limited	400,000	7.88%	400,000	7.88%	400,000	7.88%
Sulekshna Trade Holdings Limited	284,160	5.60%	284,160	5.60%	284,160	5.60%
Anand Nandkishore Sarda	584,000	11.50%	584,000	11.50%	584,000	11.50%
Asha Agriculture & Properties Pvt. Ltd	526,500	10.37%	526,500	10.37%	526,500	10.37%

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Note 15. Other Equity			
Capital Reserve	2,500,000	2,500,000	2,500,000
General reserve	27,379,000	27,379,000	27,379,000
Retained Earning	40,436,031	(2,039,422)	(22,708,308)
Total	70,315,031	27,839,578	7,170,692
Capital Reserve			
Balance at the beginning of the year	2,500,000	2,500,000	2,500,000
Add / (Less) :	-	-	-
Balance at the end of the year	2,500,000	2,500,000	2,500,000
Securities Premium			
Balance at the beginning of the year	27,379,000	27,379,000	27,379,000
Add / (Less) :	-	-	-
Amount transferred from Debenture redemption reserve	-	-	-
Balance at the end of the year	27,379,000	27,379,000	27,379,000
Retained Earnings			
Balance at the beginning of the year	(2,039,422)	(22,708,308)	(22,708,308)
Profit attributable to the owners of the company	41,136,479	20,337,808	-
Other comprehensive income for the year	1,338,974	331,078	-
Balance at the end of the year	40,436,031	(2,039,422)	(22,708,308)



PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Note 16. Borrowings			
Non-current			
(i) Term Loans - Unsecured			
- From banks (Refer footnote a)	2,440,252	2,142,307	-
	<u>2,440,252</u>	<u>2,142,307</u>	<u>-</u>
Less: Transferred to Current Maturities			
Of Long Term Loan from Banks	(687,589)	(387,567)	-
Transferred to current borrowing	(426,455)	-	-
	<u>(1,114,044)</u>	<u>(387,567)</u>	<u>-</u>
Total	1,326,208	1,754,740	-

Footnotes:

- a. Term Loan is repayable in 60 monthly instalments against hypothecation of Vehicle with finance rate @ 9.60%.

Current

Secured (Refer Footnote a)			
From Bank	57,213,871	50,108,990	53,772,569
Unsecured (Refer footnote b)			
Loans repayable on demand:			
- From Related Party	1,740,889	9,450,603	9,450,604
- Corporate Loans and advances	13,507,944	13,065,703	27,241,457
- From Directors	-	37,763	-
Total	72,462,684	72,663,059	90,464,630

Footnote :

- a) Working capital loan from Bank is Secured against hypothecation of stocks and book debts and Plant and Machineries carrying interest rate @ 10.50%.
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.
- b. Unsecured loan carry interest rate @ 11% P.A.

Note 19. Trade payables

MSME			
Acceptances	39,283,855	38,332,171	16,414,247
Other than Acceptances	75,153,167	19,111,455	2,458,357
Total	114,437,042	57,443,626	18,872,604

Footnote :

The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid or payable as required under the said act have not been given.



PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Note 20. Other financial liabilities			
Current			
Current maturities of long-term debts (Refer Note 16)	687,589	387,567	-
Other payables	-	2,706,389	3,730,140
Total	687,589	3,093,956	3,730,140
Note 17. Provisions			
Non-current			
Employee Benefits			
Provision for Gratuity	2,500,544	2,420,851	2,261,340
Provision for leave benefit	317,510	-	-
Total	2,818,054	2,420,851	2,261,340
Current			
Employee Benefits			
Provision for Gratuity	1,779,847	1,016,012	806,839
Provision for leave benefit	169,799	572,251	325,669
Total	1,949,646	1,588,263	1,132,508
Note 21. Other liabilities			
Current			
Advance from customers	1,105,454	3,167,934	15,278,798
Other payables	9,170,500	12,371,497	11,601,787
Total	10,275,954	15,539,431	26,880,585
Note 22. Current Tax Liabilities			
Provision for Tax	21,281,440	10,800,000	3,300,000
Less: Advance Tax	(13,301,281)	(5,460,701)	(2,748,296)
Total	7,980,159	5,339,299	551,704
Note 18. Deferred tax assets (Net)			
The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet			
Deferred Tax Asset	1,250,338	1,123,579	1,123,579
Deferred Tax Liability	(4,257,194)	(4,281,472)	(4,758,216)
	(3,006,856)	(3,157,893)	(3,634,637)
		Credit / (Charge) in statement of	Closing Balance
2017-2018	Opening Balance	Profit and Loss	
Deferred tax assets / (liabilities) in relation to:			
On account of Allowances under Income Tax Act	(446,730)	(4,300)	(451,031)
On account of Employee Benefits	1,123,579	126,759	1,250,338
Property, plant and equipment	(3,834,742)	28,579	(3,806,163)
Total	(3,157,893)	151,038	(3,006,856)



PARTICULARS	Year ended 31st March, 2018	Year ended 31st March, 2017
Note 28. Other Expenses		
Consumption of Stores & Spare Parts	8,216,899	5,277,155
Power & Fuel	45,955,281	40,607,648
Repairs & Maintenance to		
Plant & Machinery	1,097,702	458,656
Building	990,325	809,752
Others	254,523	24,000
Finished Goods Expenses	1,506,730	9,288
Rent Paid	5,525,770	5,202,761
Bank Charges & Interest on LC Disc.	3,955,956	4,020,687
Bank Processing Charges	150,000	150,100
Excise Duty on Closing stock	(9,487,666)	(399,578)
FG Outward Transportation Charges	23,741,417	11,845,918
Cash Discount	12,783,734	6,190,336
Factory Operating Expenses	2,107,748	1,834,270
Keyman Insurance	2,000,000	2,000,000
Professional charges	8,828,693	2,022,824
Contractors Payments	6,246,457	57,804
Director Sitting Fees	23,000	24,000
Other Miscellaneous Expenses	5,212,868	5,591,097
Payment to Auditors		
Audit Fees	175,000	115,000
Taxation Matters	75,000	83,545
Total	119,359,437	85,725,263

Note 29. Earnings Per Share (EPS)

Basic & Diluted Earning Per Share	8.10	4.01
-----------------------------------	------	------

29.1 Basic & Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Profit for the year attributable to the owners of the Company	41,136,479	20,337,808
Earnings used in the calculation of basic earnings per share	41,136,479	20,337,808
Weighted average number of equity shares for the purposes of earnings per share	5,076,800	5,076,800
Basic & Diluted EPS	8.10	4.01



PARTICULARS	Year ended 31st March, 2018	Year ended 31st March, 2017
Note 30(1). Post Retirement Benefit Plans		
The Principal assumptions used for the purpose of the actuarial valuations were as follows,		
Gratuity :		
Discount Rate	7.29%	6.69%
Expected rate of salary increase	6%	6%
Expected average remaining service	4.55%	4.35%
Service cost		
Current service cost	391,062	397,319
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	295,891	302,443
Component of define benefit cost recognised in profit or loss	686,953	302,443
Actuarial (gains) / losses for the period	(829,445)	(331,078)
Component of defined benefit cost recognised in other comprehensive income	(829,445)	(331,078)
Total	(142,492)	(28,635)
Present value of funded defined benefit obligation	4,422,883	-
Fair value of plan assets	-	-
Funded status	(4,422,883)	-
Movement in PV of defined benefit obligation		
Opening define benefit obligation	4,422,883	4,054,199
Current service cost	391,062	397,319
Interest cost	295,891	302,443
Remesaurement (gains) / (losses)	-	-
Actuarial (gains) and losses arising from changes in financial assumption	(82,413)	102,065
Actuarial (gains) and losses arising from changes in experience adjustment	(747,032)	(433,143)
closing define benefit obligation	4,280,391	4,422,883
Movements in fair value of plan assets		
Opening fair value of plan assets	-	-
closing fair value of plan assets	-	-
Asset Information:	Total Amount	Target Allocation
		%
Gratuity Fund	-	-



Expected Payout:	PVO Payout
Expected Outgo First Year	1,779,847
Expected Outgo Second Year	585,236
Expected Outgo Third Year	679,786
Expected Outgo Fourth Year	586,388
Expected Outgo Fifth Year	799,848
Expected Outgo Sixth to Tenth Years	2,338,766

Sensitivity Analysis:

As of 31st March, 2018, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.41,51,626

As of 31st March, 2018, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.44,20,063

As of 31st March, 2018, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs.44,12,383.

As of 31st March, 2018, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs.41,56,543.

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, 2019 is Rs. 3,66,325

Narrations :

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have decreased by 2.44%. The total salary has decreased by 3.95% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 3.22%

2 Expected rate of return basis:

Scheme is not funded EORA is not applicable

3 Description of Plan Assets and Reimbursement Conditions

Not applicable

4 Investment / Interest Risk

Since the scheme is unfunded the Company is not exposed to Investment / Interest risk.

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

The discount rate has increased from 6.69% to 7.29% and hence there is a decrease in liability leading to actuarial gain due to change in discount rate.



PARTICULARS	Year ended 31st March, 2018	Year ended 31st March, 2017
Note 30(2). Post Retirement Benefit Plans		
The Principal assumptions used for the purpose of the actuarial valuations were as follows,		
Leave:		
Discount Rate	7.29%	7.29%
Expected rate of salary increase	6%	6%
Expected average remaining service	4.55%	
Service cost		
Current service cost	473,046	-
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	38,546	-
Component of define benefit cost recognised in profit or loss	511,592	-
Actuarial (gains) / losses for the period	(509,529)	-
Component of defined benefit cost recognised in other comprehensive income	(509,529)	-
Total	2,063	-
Present value of funded defined benefit obligation	572,251	-
Fair value of plan assets	-	-
Funded status	(572,251)	-
Movement in PV of defined benefit obligation		
Opening define benefit obligation	572,251	-
Current service cost	473,046	-
Interest cost	38,546	-
Remesasurement (gains) / (losses):	-	-
Actuarial (gains) and losses arising from changes in financial assumption	-	-
Actuarial (gains) and losses arising from changes in experience adjustment	(509,529)	-
closing define benefit obligation	574,314	-
Movements in fair value of plan assets		
Opening fair value of plan assets	-	-
closing fair value of plan assets	-	-
Asset Information :	Total Amount	Target Allocation
		%
Gratuity Fund	-	-



Expected Payout:	PVO Payout
Expected Outgo First Year	169,799
Expected Outgo Second Year	81,748
Expected Outgo Third Year	78,178
Expected Outgo Fourth Year	73,125
Expected Outgo Fifth Year	110,638
Expected Outgo Sixth to Tenth Years	204,122

Sensitivity Analysis:

As of 31st March, 2018, every percentage point increase in discount rate will affect our gratuity benefit obligation Rs.4,72,160

As of 31st March, 2018, every percentage point decrease in discount rate will affect our gratuity benefit obligation Rs.5,03,793

As of 31st March, 2018, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation Rs.5,02,879

As of 31st March, 2018, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation Rs.4,72,739

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, 2019 is Rs. 5,27,610

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

The resultant liability at the end of the period over the beginning of the period has decreased by 14.84%.

2 Expected rate of return basis

Scheme is not funded EORA is not applicable.

3 Description of Plan Assets and Reimbursement Conditions

Not applicable

4 Investment / Interest Risk

Since the scheme is non-funded the Company is not exposed to investment / interest risk.

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

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

**Note 31:- Contingent Liability.**

	Particulars	31st March, 2018	31st March, 2017	1st April, 2016
a)	Labour Cases	-	118,816	118,816
b)	Central Excise Duty Matter	13,948,757	9,848,009	9,896,543
c)	Income Tax Matter	152,630	26,725,170	
d)	Sales tax matter other than a)	7,872,475	7,872,475	7,872,475
e)	Sales tax matter other than d) above the total liability of company before De-merger. The allocation shall be made after final computation in the demerged company and resultant companies.	16,724,366	17,119,366	17,119,366

Note 32:- Minimum lease payable are as follows.

	31st March, 2018	31st March, 2017	1st April, 2016
Within one year	5,788,450	5,790,850	5,686,800
Later than one but not later than 5 years	23,630,158	29,418,608	29,225,710
Later than 5 years	-	-	5,983,748

Note 33 :- RELATED PARTIES DISCLOSURES**A. Key Management Personnel**

- 1 Shri. N.K. Sarda
- 2 Smt. Poonam Sarda

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

- 1 Asha Agriculture & Properties Pvt. Ltd.
- 2 Jaydeep Dealers Pvt. Ltd.
- 3 Kyoto Merchandise Pvt. Ltd.
- 4 Navdeep Agriculture & Properties P. Ltd.
- 5 Sharda Dharamkanta
- 6 Sharda Ispat Industries Ltd.
- 7 Shardashree Ispat Ltd.
- 8 Sharda Auto Industries Ltd.
- 9 In-Link Capital Services Pvt. Ltd.
- 10 Indigo Denim Pvt. Ltd.

C Relatives of key Managerial Personnel

- 1 Smt. Ashadevi Sarda
- 2 Shri. Anand Sarda



	Particulars	Key Management Personnel	Relatives of key Managerial Personnel	Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence)
1	Directors Remuneration			
	N.K. Sarda	3,600,000 (1,500,000)	- (-)	- (-)
	Poonam Sarda	3,000,000 (1,200,000)	- (-)	- (-)
2	Rent Paid			
	Ashadevi Sarda		12,000 (12,000)	- (-)
	Sharda Ispat Industries Ltd.	- (-)	- (-)	4,800,000 (5,516,000)
3	Receiving of Services			
	Anand Sarda	- (-)	800,000 (900,000)	- (-)
	Sharda Dharamkanta	- (-)	- (-)	351,154 (290,961)
4	Unsecured Loan Repaid			
	N.K. Sarda	37,763 (-)	- (-)	- (-)
5	Sales of Material / Services			
	Shardashree Ispat Ltd.	- (-)	- (-)	6,099,898 (34,227)
	Sharda Auto Industries Ltd.	- (-)	- (-)	106,992,413 (50,713,013)
	Indigo Denim Pvt. Ltd.	- (-)	- (-)	9,329 (-)
6	Interest Paid			
	Sharda Auto Industries Ltd.	- (-)	- (-)	- (3,618,836)
	Kyoto Merchandise Pvt. Ltd.	- (-)	- (-)	- (99,452)
	Jaydeep Dealers Pvt. Ltd.	- (-)	- (-)	- (3,915)
	Navdeep Agriculture & Properties P. Ltd.	- (-)	- (-)	9,227 (311,366)
	Sharda Ispat Industries Ltd.	- (-)	- (-)	23,540 (885,605)
	Asha Agriculture & Properties Pvt. Ltd.	- (-)	- (-)	- (3,884)



	N.K. Sarda	(41,959)	(-)	(-)
	In-Link Capital Services Pvt. Ltd.	(-)	(-)	199,818 (516,986)
7	Interest Received Kyoto Merchandise Pvt. Ltd.	(-)	(-)	5,013,631 (2,267,603)
	Sharda Auto Industries Ltd.	(-)	(-)	130,561 (-)
8	Unsecured Loan Repaid N.K. sarda	(3,954,196)	(-)	(-)
	Kyoto Merchandise Pvt. Ltd.	(-)	(-)	(10,009,945)
	Asha Agriculture & Properties Pvt. Ltd.	(-)	(-)	3,496 (150,388)
	Jaydeep Dealers Pvt. Ltd.	(-)	(-)	64,630 (6,492)
	Navdeep Agriculture & Properties P. Ltd.	(-)	(-)	2,099,314 (1,881,137)
	Sharda Ispat Industries Ltd.	(-)	(-)	800,254 (8,210,231)
	Sharda Auto Industries Ltd.	(-)	(-)	3,256,952 (45,589,711)
	In-Link Capital Services Pvt. Ltd.	(-)	(-)	1,452,535 (5,551,699)
9	Unsecured Loan Granted Kyoto Merchandise Pvt. Ltd.	(-)	(-)	82,950,000 (32,750,000)
	Sharda Auto Industries Ltd.	(-)	(-)	1,243,041 (-)
10	Unsecured Loan Refunded Kyoto Merchandise Pvt. Ltd.	(-)	(-)	9,073,18 (2,900,000)
	Sharda Auto Industries Ltd.	(-)	(-)	1,256,10 (-)
11	Unsecured Loan Received Kyoto Merchandise Pvt. Ltd.	(-)	(-)	(10,000,00)



Sharda Auto Industries Ltd.	-	-	-
	(-)	(-)	(30,000,000)
Navdeep Agriculture & Properties P. Ltd.	-	-	-
	(-)	(-)	(2,800,000)
Sharda Ispat Industries Ltd.	-	-	-
	(-)	(-)	(500,000)
Asha Agriculture & Properties Pvt. Ltd.	-	-	-
	(-)	(-)	(150,000)
In-Link Capital Services Pvt. Ltd.	-	-	-
	(-)	(-)	(8,000,000)
N. K. Sarda	-	-	-
	(3,950,000)	(-)	(-)

Particulars			
Others (Firms, Company & Proprietorship Concern in which directors and their relatives have significant influence)			
A)	31st March, 2018	31st March, 2017	1st April, 2016
1 Unsecured Loan Payable			
Navdeep Agriculture & Properties P. Ltd.	7,969	2,098,056	867,827
Sharda Ispat Industries Ltd.	20,330	797,044	7,621,670
Sharda Auto Industries Ltd.	-	3,256,952	15,227,827
Jaydeep Dealers Pvt. Ltd.	-	64,630	67,207
Asha Agriculture & Properties Pvt. Ltd.	-	3,496	-
In-Link Capital Services Pvt. Ltd.	1,712,570	2,865,287	-
2 Unsecured Loan Receivable			
Kyoto Merchandise Pvt. Ltd.	110,781,290	31,890,843	-
Sharda Auto Industries Ltd.	117,505	-	-
3 Trade Receivables			
Sharda Auto Industries Ltd.	41,393,249	3,606,676	482,530
4 Trade Payables			
Sharda Dharamkanta	208,245	290,961	-
Sharda Ispat Industries Ltd.	432,000	420,000	-
B) Key Management Personnel			
1 N. K. Sarda	-	37,763	-

Note :

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****Note 34. Financial Risk Management Objectives and Policies**

The financial risks emanating from the Company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the Company using appropriate financial instruments. The Company has laid down written policies to manage these risks.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk include loans and borrowings.

a) Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

b) Foreign currency risk

The company does not have any import or export of material against letter of credit for which hedging instruments are required. The Company is not exposed to any foreign currency risk.

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 counter party 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 deposit with banks and financial institutions and other financial instruments.

3) Liquidity risk

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Note 35. 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 its capital structure, the Company may issue new shares. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by total capital of the company.

**Gearing Ratio**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017	As at 01st April, 2016
Borrowings including current maturities	74,902,936	74,805,366	90,464,630
Total Debt	74,902,936	74,805,366	90,464,630
Less: Cash and cash equivalents	5,176,930	1,738,844	3,376,404
Net Debt (A)	69,726,006	73,066,522	87,088,226
Equity Share Capital	50,768,000	50,768,000	50,768,000
Other Equity	70,315,031	27,839,578	7,170,692
Total Equity (B)	121,083,031	78,607,578	57,938,692
Debt Equity Ratio (A/B)	0.58	0.93	1.50

Note 36. Categories Of Financial Instruments**Fair Value measurement**

	31st March, 2018		31st March, 2017		1st April, 2016	
	FVRL / FVOCI	Amortised Cost	FVRL / FVOCI	Amortised Cost	FVRL / FVOCI	Amortised Cost
Financial Assets						
Investments	-	3,262,600	-	3,262,600	-	3,262,600
Trade receivables	-	96,410,577	-	48,623,738	-	37,007,939
Cash and cash equivalents	-	5,176,930	-	1,738,844	-	3,376,404
Bank balances other than above	-	4,040,463	-	284,559	-	257,234
Loans	-	111,071,945	-	32,046,043	-	104,200
Other financial assets	-	5,121,637	-	7,838,963	-	7,506,453
Total	-	225,084,152	-	93,794,746	-	51,514,830
Financial Liabilities						
Borrowings	-	73,788,892	-	74,417,799	-	90,464,630
Trade payables	-	114,437,042	-	57,443,626	-	18,872,804
Other Financial liabilities	-	687,589	-	3,093,956	-	3,730,140
Total	-	188,913,523	-	134,955,381	-	113,067,374



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 37: FIRST TIME IND AS ADOPTION RECONCILIATIONS

1) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

Particulars	Notes	"As at March 31, 2017 (End of last period presented under previous GAAP)"			As at April, 1 2016 (Date of Transaction)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Non-Current Assets							
(a) Property, plant and equipment		24,252,541	-	24,252,541	23,919,900	-	23,919,900
(b) Other intangible assets		10,000	-	10,000	10,000	-	10,000
(c) Financial assets							
(i) Investments		3,262,600	-	3,262,600	3,262,600	-	3,262,600
(ii) Other financial assets	a	7,217,136	(4,800)	7,212,246	7,242,136	(33,666)	7,208,570
(d) Deferred tax assets	-	-	-	-	-	-	-
(e) Other non-current assets	a	-	7,605	7,605	-	33,666	33,666
Total Non-Current Assets		34,742,277	2,715	34,744,992	34,434,636	-	34,434,636
Current assets							
(a) Inventories		96,271,660	-	96,271,660	103,830,942	-	103,830,942
(b) Financial assets							
(i) Trade receivables		48,623,738	-	48,623,738	37,007,939	-	37,007,939
(ii) Cash and cash equivalents		1,738,844	-	1,738,844	3,376,404	-	3,376,404
(iii) Bank balances other than (ii) above		284,559	-	284,559	257,234	-	257,234
(iv) Loans		32,046,043	-	32,046,043	104,200	-	104,200
(v) Other financial assets		626,717	-	626,717	297,883	-	297,883
(c) Other current assets		27,272,144	-	27,272,144	26,157,602	-	26,157,602
Total Current Assets		206,863,704	-	206,863,704	171,032,204	-	171,032,204
Total Assets		241,605,981	2,715	241,608,696	205,466,840	-	205,466,840



Equity							
						(In ₹)	
(a) Equity share capital		50,768,000	-	50,768,000	50,768,000	-	50,768,000
(b) Other equity	a.b	27,836,883	2,715	27,839,578	7,170,692	-	7,170,692
Total Equity		78,604,883	2,715	78,607,578	57,938,692	-	57,938,692
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		1,754,740	-	1,754,740	-	-	-
(b) Provisions		2,420,851	-	2,420,851	2,261,340	-	2,261,340
(c) Deferred Tax Liabilities (Net)		3,157,893	-	3,157,893	3,634,637	-	3,634,637
Total Non-Current Liabilities		7,333,484	-	7,333,484	5,895,977	-	5,895,977
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		72,863,059	-	72,863,059	90,464,630	-	90,464,630
(ii) Trade payables		57,443,626	-	57,443,626	18,872,604	-	18,872,604
(iii) Other financial liabilities		3,093,956	-	3,093,956	3,730,140	-	3,730,140
(b) Provisions		1,588,263	-	1,588,263	1,132,508	-	1,132,508
(c) Other current liabilities		15,539,431	-	15,539,431	26,880,585	-	26,880,585
(d) Current tax Liabilities (Net)		6,339,299	-	6,339,299	551,704	-	551,704.29
Total Current Liabilities		155,467,634	-	155,667,634	141,632,171	-	141,632,171
Total Liabilities		163,001,118	-	163,001,118	147,528,148	-	147,528,148
Total Equity and Liabilities		241,605,981	2,715	241,608,697	205,466,840	-	205,466,840

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 37: FIRST TIME IND AS ADOPTION RECONCILIATIONS

ii) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	"As at March 31, 2017 (End of last period presented under previous GAAP)"		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
		(₹)	(₹)	(₹)
Income				
Revenue from Operations		625,061,568	-	625,061,568
Other Income	a	2,858,454	28,676	2,888,130
Total Income		627,921,022	28,676	627,949,698
Expenses				
Costs Of Material Consumed		394,914,021	-	394,914,021
Changes in Inventories of Finished Goods		20,158,440	-	20,158,440
Employee Benefits Expense	b	14,894,032	331,078	15,225,110
Excise Duty on Finished Goods		66,333,501	-	66,333,501
Finance Costs		11,898,457	-	11,898,457
Depreciation and Amortisation Expenses		2,399,539	-	2,399,539
Other Expenses	a	85,899,302	25,961	85,725,263
Total Expenses		596,297,293	357,039	596,654,331
Profit Before Tax		31,623,730	(328,363)	31,295,367
Tax Expense				
(1) Current Tax		(10,800,000)	-	(10,800,000)
(2) Deferred tax (charge) / credit		476,744	-	476,744
(4) Excess / (Short) provision for taxation in respect of earlier years		(634,303)	-	(634,303)
		(10,957,559)	-	(10,957,559)
Profit for the Period from Continuing Operations		20,666,171	(328,363)	20,337,808
Prior Period Adjustments		-	-	-
Profit for the Period		20,666,171	(328,363)	20,337,808
Other comprehensive Income				
Remeasurement of the net defined benefit plans	b	-	331,078	331,078
Income Tax relating to OCI Items				
Total Other comprehensive Income		-	331,078	331,078
Total Comprehensive Income for the period		20,666,171	2,715	20,668,886

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**NOTE 37: FIRST TIME IND AS ADOPTION RECONCILIATIONS****III) Reconciliation of total comprehensive income for the year ended March 31, 2017**

Particulars	Notes	As at March 31, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		₹ 20,666,171
Other Income	a	28,876
Employee Benefits Expense	b	(331,078)
Other Expenses	a	(25,961)
Remeasurement of the net defined benefit plans	b	331,078
Total Comprehensive income for the period		20,668,886

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP

IV) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Note No.	As at March 31, 2017 (End of last period presented under previous GAAP)	As at April 1, 2016 (Date of Transition)
Total equity (shareholders funds) under previous GAAP		78,604,863	57,936,692
Adjustment on account of interest free rent deposit		2,715	-
Total Equity under IndAS		78,607,578	57,936,692

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****NOTE 37: FIRST TIME IND AS ADOPTION RECONCILIATIONS** continued...**Notes to effects of first time adoption of Ind AS on the Financial Statements**

- a. Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as advance rental credit. Advance rental credit is subsequently amortised credited to the Statement of Profit and Loss as notional interest income over lease period. Further, lease rent computed on the present value of the security deposit is recognised over the tenure of the security deposit.
- b. Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP

Statement of cash flows : There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

As per our report of even date.

SUBHASH CHAND JAIN ANURAG & ASSOCIATES

Firm Registration No. 004733C
Chartered Accountants

For and on behalf of the Board of Directors

CA. SWASTIK JAIN
PARTNER
Membership No. 111580

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

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

Nagpur
Date: 30th May, 2018

(Amit B. Mundada)
(Company Secretary)

**FORM NO. AOC. 2**

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

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

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	-
B	Nature of contracts/arrangements/transactions	-
C	Duration of the contracts/arrangements/transactions	-
D	Salient terms of the contracts or arrangements or transactions including the value, if any	-
E	Justification for entering into such contracts or arrangements or transactions	-
F	Date of approval by the Board	-
G	Amount paid as advances, if any	-
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Smt. Ashadevi Sarda, wife of Shri. Nandkishore Sarda.
B	Nature of contracts/arrangements/transactions	Land admeasuring 0.746 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. 12,000/- Per Annum
E	Date(s) of approval by the Board, if any :	20-04-1983
F	Amount paid as advances, if any :	



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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Ispat Industries Limited
B	Nature of contracts/arrangements/transactions	Land admeasuring 4.323 acres taken on lease for using as Registered office of the Company
C	Duration of the contracts/arrangements/transactions	3 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rent Rs. 48,00,000/- Per Annum (Exclusive of Taxes)
E	Date(s) of approval by the Board, if any:	13-02-2016
F	Amount paid as advances, if any:	-

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

S.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/Bloom
C	Duration of the contracts/arrangements/transactions	On going
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale of goods to above party on market price on time to time
E	Date(s) of approval by the Board, if any:	30-5-2015
F	Amount paid as advances, if any:	-

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Auto Industries Limited
B	Nature of contracts/arrangements/transactions	Sale of Spring Steel Flat Bars
C	Duration of the contracts/arrangements/ transactions	3 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale of goods to above party on market price on time to time
E	Date(s) of approval by the Board, if any:	30-5-2015
F	Amount paid as advances, if any:	-



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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Sharda Dharamkanta
B	Nature of contracts/arrangements/transactions	Weighment and Transportation
C	Duration of the contracts/arrangements/transactions	On going
D	Salient terms of the contracts or arrangements or transactions including the value, if any :	Availing of Weighment and Transportation Services to above party on market price on time to time
E	Date(s) of approval by the Board, if any :	30-5-2015
F	Amount paid as advances, if any :	-

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

S.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 & Equipments at the company's plant located at Kamptee Road, Nagpur.
E	Date(s) of approval by the Board, if any :	30-5-2017
F	Amount paid as advances, if any :	Rs. 8,00,000/- (Exclusive of Taxes)

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

S.No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	M/s. Indigo Denim Private Limited
B	Nature of contracts/arrangements/transactions	Sale of M.S. Flat
C	Duration of the contracts/arrangements/transactions	During the year 2017-18
D	Salient terms of the contracts or arrangements or transactions including the value, if any :	Sale of goods to above party on market price on time to time
E	Date(s) of approval by the Board, if any :	14-08-2017
F	Amount paid as advances, if any :	Rs. 7,222/- (Exclusive of Taxes)

Date: 13.08.2018

Place: Nagpur

For and on behalf of the Board of Directors
Nandkishore Sarda
Chairman & Managing Director
DIN: 00229911
Address: Plot No.32,
Cement Road, Shivaji Nagar,
Shankar Nagar, Nagpur-440010



Annexure 3 to Board's Report

(A) CONSERVATION OF ENERGY:

The Company lays great emphasis on savings in the cost of energy consumption. Therefore achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. Effective measures such as improved operational 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 is 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 benefits derived like product improvement, cost reduction, product development or import substitution.

- Reduction in cost of the process
- Product improvements
- Improvement in on stream line
- Improvement in reaction efficiency
- Conservation of base material
- Environment protection and effluent quality improvement

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

- 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 31.03.2018.
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 2018	March 2017
D. Power and Fuel Consumption		
1. Electricity:		
a) Purchased: Units (No.)	22,77,560	23,32,200
Total Amount (Rs.)	1,66,39,067	1,77,54,267
Average Rate/ Unit (Rs.)	7.31	7.61
b) Own Generation	Nil	Nil
2. Steam Coal		
Quantity (Tonnes)	4,410	4,217
Total Cost (Rs.)	2,93,16,214	2,28,53,381
Average Rate/ Tonne (Rs.)	6,648	5,420
3. Furnace Oil:		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate/ K. Ltrs (Rs.)	Nil	Nil
4. Other / Internal Generation		
Products (with details) Unit	Nil	Nil
Rolled Iron & Steel (in MT)	24,999	23,252
Electricity (in Units)	91.10	100.30
Furnace Oil (Secondary Fuel) (in Ltrs.)	Nil	Nil
Coal (Steam Coal 'B' Grade) (in MT) Excluding Shell & Dust	0.176	0.181
Other (Specify)	Nil	Nil

Date: 13.08.2018

Place: Nagpur

For and on behalf of the Board of Directors

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 2017-18, the ratio of the remuneration of each director to the median remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2017-18 (Amount in Rs.)	% increase/ (decrease) in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees (times)	Comparison of the remuneration of the KMP against the performance of the Company
1.	Shri. Nandkishore Sarda (Chairman & Managing Director)	36,00,000	140	13.84	Profit before tax increased by 98.88% and profit after tax increased by 102.27% in financial year 2017-18. There was change in remuneration of KMP and its increase by 405.92%
2.	Smt. Poonam Sarda (Whole-time Director & Chief Financial Officer)	30,00,000	250	11.53	
3.	Shri. Amit B. Mundada (Company Secretary & Compliance Officer)	4,65,224	15.92	-	

2. The median remuneration of employees of the Company during the financial year 2017-18 was Rs. 2,60,136/- per annum.
3. In the financial year 2017-18, there was an increase of 39.10% in the median remuneration of employees.
4. There were 38 permanent employees on the rolls of the Company as on March 31, 2018.
5. Relationship between the average increase in remuneration and Company performance:
There was an increase of 140% and 250% in the remuneration of Shri. Nandkishore Sarda and Smt. Poonam Sarda, Directors respectively and an increase of 15.92% in the remuneration of Company Secretary during the financial year 2017-18. Further, the increase in median remuneration was 39.10%. The remuneration increase of the employees is in line with the market trend in the industry. In view of the fact the average percentage increase made in the salaries of the employees other than managerial personnel in the last financial year is not comparable with managerial remuneration.
6. Comparison of the remuneration of the key managerial personnel against the performance of the company:
Profit before tax increased by 98.88% and profit after tax increased by 102.27% in financial year 2017-18. There was a change in remuneration of KMP and its increase by 405.92%.
7. a) Variations in the market capitalization of the Company: The market capitalization as on 31.03.2018 was Rs. 4739.19 Lacs (Rs. 906.21 Lacs as on 31.03.2017).



- b). The Price Earnings ratio of the Company was 11.52 as at 31.03.2018 and was 4.45 as at 31.03.2017.
- c). Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:
- The Company came out with a public offer in 1995. An amount of Rs. 20/- in the said last public offer would be worth Rs. 93.35/- as on 31.03.2018 indicating an increase of 366.75%.
8. There was an increase of 39.10% in the salaries of the employees other than the managerial personnel in the last financial year 2017-18 and change in managerial remuneration, there was an increase of 390% during the same financial year.
9. Since there has been no variation in components of the remuneration of the directors and KMP the information, i.e. the key parameters for any variable component of remuneration, under this clause is not relevant.
10. The ratio of the remuneration of the highest paid director to that of the employee who are not directors, but receive remuneration in excess of the highest paid director during the financial year 2017-18: Not Applicable.
11. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for directors and key managerial personnel.

For and on behalf of the Board of Directors

Date: 13.08.2018

Nandkishore Sarda

Chairman & Managing Director

Place: Nagpur

DIN: 00229911

Address: Plot No.32,

Cement Road, Shivaji Nagar,

Shankar Nagar, Nagpur-440010



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2018

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

To,

The Members

Sharda Ispat Limited,
(CIN: L74210MH1960PLC011830)
Kamptee Road, Nagpur-440026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sharda Ispat Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the "**Sharda Ispat Limited**" 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, 2018 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 **Sharda Ispat Limited** ("**The Company**") for the financial year ended on 31st March, 2018 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);



- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
 - 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 of the following:
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited and Ahmadabad Stock Exchange Limited.

During the period under review and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the Company has not paid listing fee to Calcutta Stock Exchange and the Status of the Company as can be viewed on the website of Calcutta Stock Exchange is Suspended.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the major part of the year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All Decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sunil Kumar Sharma & Associates

Company Secretaries

Sunil Kumar Sharma

(Proprietor)

Date : 13/08/2018

Place : Nagpur

Mem.No.34218, CP No. 12708

This Report is to be read with our 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.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance of applicable Financial Laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Financial Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on 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.

Place: Nagpur

Date : 13/05/2018

For, Sunil Kumar Sharma & Associates
Company Secretaries

Sunil Kumar Sharma
(Proprietor)

Mem. No. 34218 C.P. No. 12708

**SHARDA ISPAT LIMITED**

Regd. Office: Kamptee Road, Nagpur 440 026

CIN No. L74210MH1960PLC011830

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

I hereby record my presence at the 57th Annual General Meeting held at the corporate office of the company at 'DA-ROCK', Plot No. 230, 6th Floor, Hill Road, Shivaji Nagar, Nagpur - 440010, Maharashtra on Saturday, 22nd September, 2018 at 10.00 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 No. L74210MH1960PLC011830

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

Registered office: Kamptee Road, Nagpur 440 026, 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 57th Annual general meeting of the company, to be held on the 22nd day of September, 2018 At 10.00 a.m. (IST) at the corporate office of the company at 'DA-ROCK', Plot No. 230, 6th Floor, Hill Road, Shivajr 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, 2018 along with the reports of the Board of Directors & Auditors thereon.
2. Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director.
3. Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2019.
4. Reclassification of shareholders from promoter group category to public category.
5. Adoption of new set of Memorandum of Association of the Company.

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

Affix
Revenue
Stamp



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: Kamplax Road, Nagpur 440028 Maharashtra

BALLOT PAPER

Sr. 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:

Sr. No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial statement for the Financial year ended March 31, 2018 along with the reports of the Board of Directors & Auditors thereon.			
2.	Re-appointment of Smt. Poonam Sarda (Retiring Director) as Director.			
3.	Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2019.			
4.	Reclassification of shareholders from promoter group category to public category.			
5.	Adoption of new set of Memorandum of Association of the Company.			

Place :

Date :

(Signature of the shareholder)

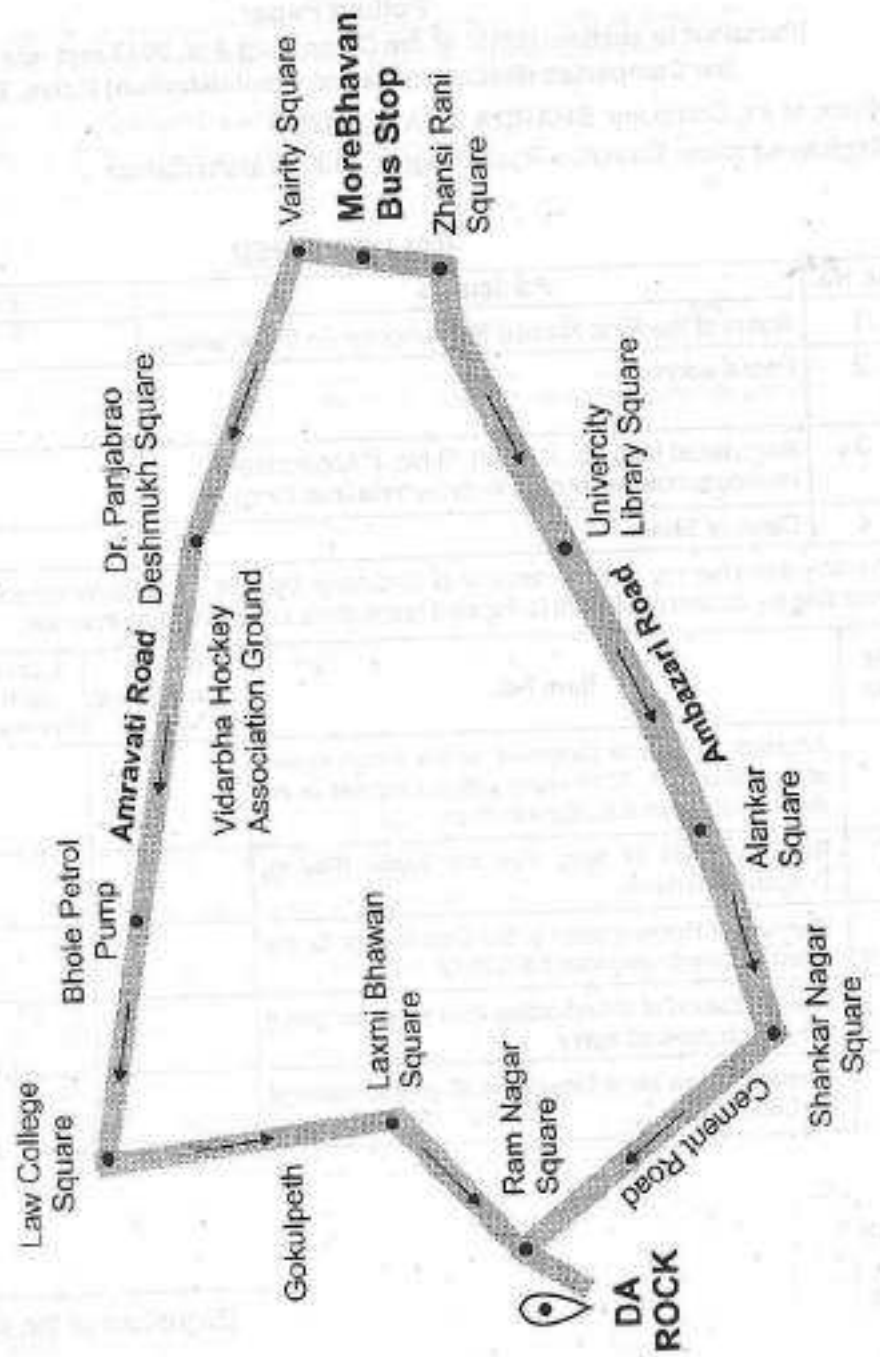
(Signature of First Proxy)

(Signature of Second Proxy)

(Signature of Third Proxy)



Route Map for the Venue of Annual General Meeting



BOOK-POST
(PRINTED MATERIAL)

To,

If undelivered please return to :



Sharda Ispat Limited

Kamptee Road, Nagpur - 440026

Ph. : (0712) 2640071 / 3 (lines)

Fax : (0712) 2641171