

ORIENT STEEL & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31,2014

PARTICULARS	Note Reference	Consolidated	
		As At March 31,2014 (Amount in Rupees)	As At March 31, 2013 (Amount in Rupees)
I EQUITY & LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	1	29,428,000	29,428,000
b) Reserves & Surplus	2	246,793,912	246,837,718
2) Share Application Money Pending Allotment			
3) Non-Current Liabilities			
a) Long Term Loan	3	232,985,750	170,682,442
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provision	4	22,681,107	21,136,286
4) Current Liabilities			
a) Short term borrowings	5	155,486,088	124,051,138
b) Trade Payables	6	228,472,215	395,214,554
c) Other current liabilities	7	39,943,867	32,866,955
d) Short-term provisions	8	4,059,981	7,922,377
		959,850,920	1,028,139,470
II ASSETS			
1) Non-Current Assets			
a) Fixed assets			
i) Tangible assets	9	262,258,533	253,650,698
ii) Capital Work in Progress		62,860,322	51,112,704
b) Non-Current Investments	10	500	500
c) Deferred Tax Assets	11	16,413,326	17,022,291
d) Long Term Loan and Advances	12	3,252,746	5,712,488
e) Other Non Current Assets	13	4,952,535	4,410,716
2) Current Assets			
a) Inventories	14	403,941,017	329,862,579
b) Trade receivable	15	136,032,440	153,006,278
c) Cash & cash equivalents	16	24,867,474	165,277,860
d) Short-term loans and advances	17	26,531,401	28,134,464
e) Other Current Assets	18	18,740,626	19,948,894
		959,850,920	1,028,139,470

Significant Accounting Policies 26
Capital Commitments ,Contingent Liability &Other 27
Explanatory Notes

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E
K. K Nanda
Partner
Membership No.510574

for and on behalf of the Board
Chairman & Managing Director

Executive Director




Place : Kolkata
Date : September 03. 2014

ORIENT STEEL & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	Note Reference	Consolidated	
		Year Ended March 31, 2014	Year Ended March 31, 2013
		(Amount in Rupees)	(Amount in Rupees)
INCOME			
Revenue from operations	19	1,434,612,219	1,339,517,869
Other income	20	13,557,334	16,989,079
Total Revenue		1,448,169,553	1,356,506,948
EXPENSES			
Cost of Material Consumed	21	1,143,181,924	1,070,864,361
Changes in inventory of work in progress/Finished Good	22	(27,301,834)	(23,427,070)
Employee benefits expense	23	48,841,964	43,230,311
Finance costs	24	52,951,832	39,490,045
Depreciation and amortization expenses	9	19,359,261	18,247,193
Other Expenses	25	210,163,478	202,801,691
		1,447,196,624	1,351,206,533
Profit before Exceptional and Extraordinary items and Tax		972,929	5,300,415
Exceptional Items (Prior Period Adjustmemt)		-	-
Profit before Extraordinary items and Taxes		972,929	5,300,415
Extraordinary Items		-	-
Profit before tax		972,929	5,300,415
Tax Expenses			
i. Current tax		(193,910)	(1,540,519)
ii. Deffered tax		(608,965)	(1,277,193)
iii. Wealth Tax		-	-
iv. For earlier year		(213,860)	-
profit / (loss) after tax		(43,806)	2,482,702
profit for the year		(43,806)	2,482,702
Basic EPS			
Dilluted Eps			

Significant Accounting Policies	26
Capital Commitments ,Contingent Liability &Other	27
Explanatory Notes	

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

R. K. Nanda
Partner
Membership No.510574

Place : Kolkata
Date : September 03. 2014



for and on behalf of the Board


Chairman & Managing Director


Executive Director

ORIENT STEEL & INDUSTRIES LIMITED
Notes to Financial Statements

(Amount in Rupees)

	Consolidated	
	As at March 31, 2014	As at March 31, 2013
Note:-1 Share Capital		
a. Authorised:		
32,70,000 Equity Shares of Rs. 10/- each	32,700,000	32,700,000
10,000 Preference Shares of s. 100/- each	1,000,000	1,000,000
	33,700,000	33,700,000
b. Issued & Subscribed Paid-up:		
26,53,200 Equity Shares of Rs. 10/- each ,	26,532,000	26,532,000
(20,66,400) fully paid up in cash		
2,89,600 Equity Sahres of Rs. 10/- each Issued as fully paid up bonus shares by	2,896,000	2,896,000
Capitalisation of General Reserve		
	29,428,000	29,428,000

c. Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2014		As at March 31, 2013	
	No.	Amount	No.	Amount
At the beginning of the year	2,942,800	-	2,942,800	-
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	2,942,800	-	2,942,800	-

d. Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.

e. 63.16% of the equity shares of the company are held by the promoter group of the company

f. Details of shareholders holding more than 5% of the shares of the company

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No.	% holding	No.	% holding
Naval Investment Pvt. Ltd.	470,740	15.996	470,740	15.996
Naval Kishore Rajgarhia	320,150	10.879	320,150	10.879
Maroon Projects Pvt. Ltd.	484,400	16.461	484,400	16.461
Sujata Investments Ltd.	256,350	8.711	-	-
Rajkumari Rajgarhia	231,770	7.876	-	-
Nilesh Rajgarhia	222,900	7.574	-	-
Shuchi Rajgarhia	163,000	5.539	-	-



(Amount in Rupees)			
	Consolidated		
	As at	As at	
Note:-2 RESERVE & SURPLUS	March 31, 2014	March 31, 2013	
a) General reserve	9,512,543	9,512,543	
b) Surplus in the Statement of Profit and Loss			
Balance at the Beginning of the year	237,325,175	234,842,472	
Profit for the year	(43,806)	2,482,702	
Balance at the end of the year	237,281,369	237,325,175	
TOTAL	246,793,912	246,837,718	

(Amount in Rupees)			
	Consolidated		
	As at	As at	
Note:-3 LONG TERM LOAN	March 31, 2014	March 31, 2013	
Secured:			
Vehicle Loan from Banks (Refer to Note below)	1,194,254	1,421,324	
Unsecured:			
From Related parties			
- Directors	30,946,403	1,895,164	
- Body Corporate	88,115,094	49,677,137	
From Others	112,729,999	113,164,807	
Interest Accrued and due on the above	-	4,524,010	
TOTAL	232,985,750	170,682,442	

Note :-

Faridabad

a) Vehicle loan from ICICI Bank is secured by way of hypothecation of vehicle purchases. It carries interest rate of 10.75% and is repayable in 59 monthly installments last installment being due on December 15, 2018

b) Vehicle loan from ICICI Bank is secured by way of hypothecation of vehicle purchases. It carries interest rate of 12.75% and is repayable in 60 monthly installments last installment being due on November 15, 2016

c) Vehicle loan from Axis bank is secured by way of hypothecation of vehicle purchases. It carries interest rate of 8.96% and is repayable in 60 monthly installments last installment being due on November 10, 2015

Kolkata

(a) Vehicle Loan from Kotak Mahindra Prime Ltd. is secured by way of hypothecation by of vehicle purchase. It carries

interest rate of 10.5% and is repayable in 60 monthly installments. Last instalment being due on July 10, 2015



	(Amount in Rupees)	
	Consolidated	
Note:-4 LONG-TERM PROVISION	As at	As at
	March 31, 2014	March 31, 2013
Provision for Employee Benefits		
For Gratuity	9,423,678	9,613,286
For Taxation	13,257,429	11,523,000
TOTAL	22,681,107	21,136,286

	(Amount in Rupees)	
	Consolidated	
Note: 5 SHORT-TERM BORROWINGS	As at	As at
	March 31, 2014	March 31, 2013
Secured Loan		
Cash Credit Loan from Banks (Refer to Note Below)	155,486,088	124,051,138
TOTAL	155,486,088	124,051,138

Note :-

• **Egriabad**
Cash Credit Loans from UCO Bank Ltd @ Bank Rate + 4% i.e 14.20%, Secured by hypothecation of Inventories, store and spare, book debts and other movables and is guaranteed by director of the company
Kolkata
Secured against 25% on Stocks & 50% on Book Debts (up to 90 days) for which drawing power should not allowed

	(Amount in Rupees)	
	Consolidated	
Note:-6 TRADE PAYABLE	As at	As at
	March 31, 2014	March 31, 2013
Sundry Creditors		
-Micro Small and Medium Enterprises *	-	-
-others	228,472,215	395,214,554
TOTAL	228,472,215	395,214,554

* On the basis of information available with the company , there are no dues outstanding to Micro,Small and Medium

Enterprises which are required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006.

	(Amount in Rupees)	
	Consolidated	
Note:- 7 OTHER CURRENT LIABILITIES	As at	As at
	March 31, 2014	March 31, 2013
Current maturities of Long Term Debt	451,959	321,365
Interest accrued and due on borrowings		131,301
Advances From Customers	15,832,538	7,218,809
Other Payable:		
-Employee Benefits Payable	1,559,650	2,736,848
-Statutory dues including Provident Fund and Tax deducted at Source	22,099,720	22,458,632
TOTAL	39,943,867	32,866,955



(Amount in Rupees)		
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note:- 8 SHORT-TERM PROVISIONS		
Provision for Tax	-	1,540,519
Wealth Tax	7,200	7,200
Gratuity	2,755,068	2,060,544
Leave Encashment	1,297,713	1,184,172
Purchase tax	-	3,129,942
TOTAL	4,059,981	7,922,377

(Amount in Rupees)		
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note:-10 Non-Current Investments		
In Government Securities (Unquoted) Post Office National Savings Certificate	500	500
Total	500	500

Note :- 11 Deferred Tax Assets /(liability)
The major component of Deferred Tax Assets /(liability) are as under :

Particulars	(Amount in Rupees)		
	As at	Consolidated	As at
	April 01, 2013	For the Year	March 31, 2014
A) Deferred Tax Liability			
For Difference in WDV as per Companies Act & as per Income Tax Act	29,970,480	776,698	30,747,178
B) Deferred Tax Assets			
For Provision for gratuity & others	46,992,771	167,733	47,160,504
Net Deferred Tax Liability/Assets	17,022,291	608,965	16,413,326

(Amount in Rupees)		
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note:-12 Long Term Loan and Advances		
(Unsecured, Considered Good)		
Security Deposits	2,942,665	2,942,665
Capital advance	310,081	2,769,823
Total	3,252,746	5,712,488



Note:-13 Other Non-Current Assets (Unsecured, Considered Good)	Consolidated (Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Deposits with Government Department	4,952,535	4,410,716
Total	4,952,535	4,410,716

Note:-14 INVENTORIES * (Valued & Certified by the management)	Consolidated (Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Finished Goods	32,510,061	37,724,120
Work-in-Process	111,091,185	78,603,211
Raw-material	183,515,916	148,909,352
Stores & Spares	75,889,928	63,719,888
Scrap	675,067	450,267
By Product	258,860	455,741
TOTAL	403,941,017	329,862,579

*** Additional Information :-**

- A) Raw Materials is valued at cost. Cost is comprise cost of purchase and other costs incurred in
 B) Work in progress valued at on absorption cost basis to the extent.
 C) Finished Goods are valued at lower of cost or net realisable value.
 D) Stores & Spares valued at weighted average cost basis.
 E) Waste Products and Scraps at estimated realisable value.

Note:- 15 TRADE RECEIVABLES (Unsecured, Considered good, unless otherwise stated)	Consolidated (Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
i. Outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, considered good	87,234,222	78,061,127
b) Unsecured, considered Doubtful	624,636	1,424,636
Less : Provision for doubtful debts		
	(A)	
Others debts	48,173,582	73,520,515
	(B)	
TOTAL (A+B)	136,032,440	153,006,278



	(Amount in Rupees)	
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note:- 16 CASH AND BANK BALANCES		
i. Cash on hand	1,328,200	1,899,304
ii. Bank Balance		
a) In current Account	10,251,847	282,888
b) Demand deposit (less than three months maturity) *	8,666,469	57,374,709
iii. Other Bank Balances		
-Long term deposits with maturity more than three monthsbut less than twelve months	4,607,708	105,707,708
-With Post Office Savings Bank Account	13,250	13,250
(Pass Book Pledged with collector of Central Excise)		
TOTAL	24,867,474	165,277,859

* Demand deposits includes Fixed deposit amount INR 1306469 which are lien with bank and the same are physically available with the bank.

	(Amount in Rupees)	
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note:- 17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	11,039,488	2,418,197
Claim Receivable	2,292,528	1,367,483
Prepaid Expenses	1,959,899	1,574,566
Balances with Government authorities	11,239,487	22,774,218
TOTAL	26,531,401	28,134,464

	(Amount in Rupees)	
	Consolidated	
	As at	As at
	March 31, 2014	March 31, 2013
Note :- 18 OTHER CURRENT ASSETS		
Accrued interest on fixed deposits	227,806	4,744,554
Advance Tax	15,550,000	13,050,000
ITDS Refundable	2,962,820	2,154,340
TOTAL	18,740,626	19,948,894



	(Amount in Rupees)	
	Consolidated	As at
Note:-19 REVENUE FROM OPERATIONS	As at March 31, 2014	As at March 31, 2013
Sales of Products		
Finished Goods *	1,331,611,404	1,249,300,295
Scrap and By Products	83,711,387	71,564,064
	1,415,322,791	1,320,864,359
Sales of Services		
Job work charges	19,289,428	18,653,510
TOTAL	1,434,612,219	1,339,517,869

* Additional Information :-
Particulars of turnover of products manufactured/trading items :

Class of Goods	31st March, 2014		31st March, 2013	
	Qty. MT	Value Rs.	Qty. MT	Value Rs.
Steel Casting	2193.487	246,890,487	2413.200	327,950,469
Cold Rolled Mild Steel Strips	1120.000	54,750,027	1483.000	70,775,537
Cold Rolled Formed Sections of Mild Steel	937.000	58,554,589	428.000	24,994,785
Cold Rolled Formed Sections of Stainless Steel			77.000	8,124,077
Hot Rolled Mild Steel Strips	25219.000	971,416,301	21519.000	817,455,427
Total		1,331,611,404		1,249,300,295

	(Amount in Rupees)	
	Consolidated	As at
Note:- 20 OTHER INCOME	As at March 31, 2014	As at March 31, 2013
Interest received from Bank (TDS Rs 370352 (PY: Rs 1107463))	4,536,029	11,154,708
Miscellaneous receipts (Net)	9,006,057	5,794,371
Profit on sale of fixed assets	15,248	-
Testing Charges Received	-	40,000
TOTAL	13,557,334	16,989,079

	(Amount in Rupees)	
	Consolidated	As at
Note:- 21 COST OF MATERIALS CONSUMED *	As at March 31, 2014	As at March 31, 2013
Opening Inventory	148,909,352	183,590,660
Add : Purchases of Raw materials	1,177,788,488	1,036,601,663
Less: Inventory at the end of year	(183,515,916)	(148,909,352)
Less: Goods Returned	-	(418,909)
TOTAL	1,143,181,924	1,070,864,361



* Additional Information :-

Analysis of Raw-materials and components consumed :

Class of Goods	31st March, 2014		31st March, 2013	
	Qty.	Value	Qty.	Value
M.S. Scrap, C.I. Scrap, Sponge Iron etc.	MT	Rs.	MT	Rs.
	2174.993	80,004,844	2952.932	108,557,642
Ferro Silicon	-	258,643	0.180	239,261
Ferro Manganese	9.670	26,261	9.670	418,909
Sundry Raw Materials	-	56,747,504	-	69,192,161
Hot Rolled Mild Steel Strips	1394.000	7,908,756	1792.000	18,632,320
Mild Steel Flats/Ingots/Slabs/Blooms	28138.000	935,563,676	23737.000	840,745,876
H.R. Coil	1370.000	59,632,953	469.000	19,435,904
Hot Rolled Stainless Steel Coils	36.000	3,039,287	169.000	13,642,288
Total		1,143,181,924		1,070,864,361

	(Amount in Rupees)	
	Consolidated	Consolidated
	As at	As at
	March 31, 2014	March 31, 2013
Note:- 22 CHANGES IN INVENTORY OF FINISHED GOODS		
Stock at the end of the year		
-Finished Goods	32,510,061	37,724,120
-Work-in-process	111,091,185	78,603,211
-By Product	258,860	455,741
-Scrap	675,067	450,267
Less:		
Stock at the Opening of the year		
-Finished Goods	37,724,120	51,547,653
-Work-in-process	78,603,211	41,200,249
-By Product	455,741	430,519
-Scrap	450,267	627,848
Increase/(Decrease) in stocks	27,301,834	23,427,070

	(Amount in Rupees)	
	Consolidated	Consolidated
	As at	As at
	March 31, 2014	March 31, 2013
Note:- 23 EMPLOYEES BENEFITS EXPENSES		
Salaries & Wages, Bonus	39,690,575	35,195,270
Contribution to provident fund and other funds	4,229,584	3,715,424
Staff Welfare Expenses	2,587,873	2,191,558
Gratuity *	2,333,932	2,128,059
TOTAL	48,841,964	43,230,311



*As per Accounting standard (AS) 15 "Employee Benefits", the disclosures as defined in the Accounting standard are given below:
Defined Contribution Plan:

	2013-14	2012-13
	(Amount in Rupees)	
Employer's contribution to provident fund	4229584	3715424

Defined Benefit Plan:

The Employee's gratuity is a defined Benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method. The Reconciliation of Opening and closing balances of the present value of the defined benefit obligation are here as under:

Reconciliation of Opening and Closing Balances of Defined Benefit Obligations:

Particulars	(Amount in Rupees)		
	Kolkata	Faridabad	Total
Balance as on 31.03.2014	4163040	6989398	11152438
Less: Balance as on 31.03.2013	4358228	6375032	10733260
	-195188	614366.00	419178.00
Add: Paid during the year 2013-14	819603	1095151	1914754
	624415	1709517	2333932

The Financial Assumptions employed for the calculations are as follows :

	2013-14	2012-13
Discount Rate	9.00 % P.A.	8.00 % P.A.
Rate of Increase Salaries	5.00 % P.A.	5.00 % P.A.
Withdrawal Rate	2.00 % P.A.	2.00 % P.A.

	(Amount in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Note:- 24 FINANCE COST		
Interest On Borrowings:		
-From Banks	25,199,313	9,085,197
-From Body Corporates	23,100,212	21,087,863
Other Borrowings Cost	4,652,307	9,316,985
TOTAL	52,951,832	39,490,045



		(Amount in Rupees)	
		Consolidated	
Note:- 25 OTHER EXPENSES		As at March 31, 2014	As at March 31, 2013
Manufacturing Expense:			
Consumption of Stores	39,298,440	46,871,611	
Power & Fuel	115,877,775	112,338,214	
Repairs & Maintenance :			
- Building	291,495	164,230	
- Plant & Machinery	3,645,857	3,237,068	
Excise Duty	29,450,696	21,850,680	
Processing charges paid	-	552,425	
Inspection charges	120,000	-	
Selling and Distribution Expenses			
Freight, transport and handling charges	2,014,625	2,887,000	
Advertisement	32,300	37,500	
Rebate & Discount	-	-	
Brokerage & Commission	1,358,464	753,027	
Sales Tax Expenses	1,697,213	-	
R & D Expenses	94,000	16,900	
Bad Debt Written Off	1,563,067	2,083,586	
Administration Expense			
Repairs & Maintenance :			
- Others	501,374	447,644	
Rates & Taxes	1,496,981	345,305	
Insurance	175,339	254,117	
Donation	122,330	88,271	
Auditor's Remuneration :			
- Audit Fee	171,800	171,800	
- Tax Audit Fee	52,000	52,000	
Printing & Stationery	456,998	435,766	
Vehicle Maintenance	1,109,452	627,009	
Travelling & Conveyance	3,145,792	3,314,252	
Communication Expenses	674,570	684,501	
Legal & Professional Expenses	1,618,211	734,073	
Duties & Taxes :			
- Service Tax Paid	258,699	356,742	
- Filing Fees	19,605	20,717	
- Entry tax	97,688	247,864	
Security Service Charges	598,718	955,624	
Membership & subscriptions	520,896	484,132	
Miscellaneous Expenses	3,699,094	2,789,633	
Total	210,163,478	202,801,691	



ORIENT STEEL & INDUSTRIES LTD.
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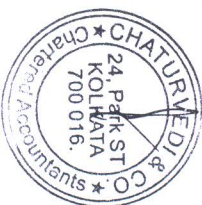
SCHEDULE - 9 : FIXED ASSETS									
Particulars	GROSS BLOCK				DEPRECIATION				(Amount in Rupees)
	Cost as at 01-Apr-13	Addition during the year	Sales & Adjustment	Total as at 31-Mar-14	Upto 01-Apr-13	For the year	Sales & Adjustment	Upto 31-Mar-14	
Tangible Assets:									
Land & Development	9442903	0	0	9442903	0	0	0	0	9442903
Leasehold Land	32439680	0	0	32439680	983022	327674	0	1310696	31456658
Office Table & Space	601363	0	0	601363	0	0	0	0	601363
Building	1191893	0	0	1191893	797967	0	0	797967	393926
Factory Shed & Building	55920700	3788	0	55924488	21420839	1394444	0	22815283	34499861
Plant & Machinery	304761827	26623432	4572218	326813041	160234525	14547330	4572218	170209637	144993492
Air Conditioner	1006098	47450	0	1053548	744134	28139	0	772333	261964
Furniture & Office Equipment	6301900	246682	0	6548582	4321175	288478	0	4609653	1980725
Vehicles	11098290	1601804	1901971	10798123	6378712	1095258	1313165	6160805	4719578
Computer	1523388	159214	0	1682602	1204339	81426	0	1285765	319049
Generator Set	30848558	0	0	30848558	5867526	1596452	0	7463978	24981032
Mobile	4736	0	0	4736	4590	0	0	4590	146
Total of Tangible Assets (A)	455141336	28682370	6474189	477349517	201956829	19359261	5885383	215430707	262258533
Previous Year	447489224	8349112	697000	455141336	183709600	18247193	246978	201490638	253650698
Capital Work in Progress (B)	51112704	13584418	1836800	62860322					62860322
Total (A+B)									325118855
									51112704
									304763402



NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - 26 : SIGNIFICANT ACCOUNTING POLICIES

- 1) System of Accounting:
The Accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated. For recognition of Profit & Losses, Mercantile System of Accounting is followed :
- 2) Fixed Assets:
 - a) Fixed Assets are stated at cost less depreciation.
 - b) Depreciation on Fixed Assets are provided at rates prescribed in Schedule XIV (as amended) of the Companies Act, 1956 on Straight line method on the assets of Shots & Grits Plant at Serampore and Rolling Mill Division at Faridabad and leasehold (Land), W.B. on written down value method in respect of other assets.
 - c) Expenditure on development of land, including leasehold land, is capitalised as part of cost of land. Cost of lease hold land is amortised over the period of lease.
- 3) Excise Duty:
 - a) Excise Duty is charged to Accounts Net of Modvat at W.B. Unit and MODVAT on inputs has been adjusted in respective consumption Account and that on Fixed Assets in respective fixed assets account at C.R.M. (Faridabad).
 - b) Excise Duty payable on Closing Stock of Finished Goods is provided for in the Accounts and consequently considered for valuation of Closing Stock of Finished Goods.
- 4) Investment:
Investments are stated at cost, unless there is a permanent decline in value thereof, in which case adequate provision is made against the diminution in the valued of Investments.
- 5) Inventories:
Inventories cost has been arrived at in case of --
 - a) Raw Materials is valued at cost. Cost is comprise cost of purchase and other costs incurred in bringing the inventories to the factory. Method of valuation is FIFO basis.
 - b) Work in progress valued at on absorption cost basis to the extent.
 - c) Finished Goods are valued at lower of cost or net realisable value.
 - d) Stores & Spares valued at weighted average cost basis.
 - e) Waste Products and Scraps at estimated realisable value.
- 6) Employee Benefits:
 - a) Employee benefit in the form of contribution to provident fund is accounted for on accrual basis and charged to the statement of profit & loss.
 - b) Liability in respect of gratuity to employees is provided for on the basis of actuarial valuation.
 - c) Encashment of leave accumulated while in service is at the option of the employees and is accounted for on cash basis.



7) Contingent Liabilities :

Contingent liabilities are determined on the basis of available informations and are disclosed by way of Notes to the financial statements. Provisions are recognised when either a legal or constructive obligation as a result of past events exists at the balance sheet date and when the amount of obligation can be reasonably estimated.

8) Sales/Revenue Recognition :

- a) Sales are inclusive of Excise Duty where applicable, but excluding Sales Tax.
- b) Interest Income is recognized on time and proportion basis taking into account the amount outstanding and the rate applicable.
- c) Job work income is recognized when goods are despatched from the factory.

9) Foreign Currency Transaction :

These are recorded at the rates prevailing on the date of transaction. There were no foreign currency assets and liabilities.

10) Borrowing Cost :

The borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised on the basis of actual cost incurred. Other borrowing costs are recognised as an expenses in the period in which such expenses are incurred.

11) Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised subject to the consideration of prudence in respect of deferred tax assets on timing differences, between taxable income and accounting income.

SCHEDULE - 27 : CAPITAL COMMITMENTS, CONTINGENT LIABILITIES & OTHER EXPLANATORY NOTES

1) Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 62,860,322.

2) Contingent Liabilities :

i) Counter guarantees given to Bankers against guarantees given by them on behalf of the Company and remaining outstanding as on 31.03.2014 amounts to Rs.16,218,009 (Rs.20,082,528) and Letter of Credit remaining outstanding as on 31.03.14 amounts to Rs.118,603,022 (Rs.28,10,74,478).

ii) Excise Demand contested with appropriate authority Rs.1,205,327 (Rs.935,377).

iii) Demand of Sales Tax/Purchase Tax Rs.9,196,569(Rs.14,685,885), against which no provision has been made in the current year. (Rs.31,29,942).

iv) liability for Entry Tax (up-to 31.03.2014) is Rs 10667. We were not depositing the tax from Nov'13, since the west bengal manufacturing association has filled a case against the West Bengal Government in the Honorable high court of Calcutta and the final decision is pending till date. However no provision has been made in our books for the same.

3) Appeals by the Department and Petitions etc. by the Company in respect of certain Income Tax and Sales Tax Assessments are pending and tax liability/refund consequent on the decision of the same is not determinable. The same will be accounted for in the year of its settlement.



- 4) (i) No provision has been made against Sundry Debtors of Rs.624636 (Rs.14,24,636).
(ii) Advances and claim receivable of Rs. 1417902 (721145) considered doubtful of recovery. The management is taking necessary actions for recovery of amounts and therefore, no provision has been made against such doubtful advances and claims recovering, as the management is pursuing the matter with the parties for recovering the amount and in the opinion of the management the amount is recoverable.
- 5) Balance of Sundry Debtors, Sundry Creditors, Advances and Deposits as appearing in the Balance Sheet are subject to confirmations.
- 6) Rebate & Short recoveries include write off, short recoveries, transit losses, liquidated damages and rebate allowed on sale of earlier years.
- 7) Profit/Loss on Sale of Raw Materials, Stores and Spares remains adjusted in their respective consumption accounts.
- 8) **Segment Reporting:**
The Company is engaged in manufacturing of Iron and Steel products and the operations are mainly in India. As such, there are no other reportable segments as defined by Accounting standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
- 9) **Related Party Disclosure:**
A) **List of Related Parties:**
i) **Key Management Person**
Shri N.K. Rajgarhia Chairman & Managing Director
Shri Nilesh Rajgarhia Executive Director
ii) **Other Related Parties:**
(Company/Enterprises over which Key Management Personnel and/or their relatives exercise significant influence).
a) Maroon Projects (P) Ltd.
b) Sujata Investments Ltd.
c) Nawal Investment (P) Ltd.
d) Lancer Overseas (P) Ltd.
- B) **Details of transactions/outstanding balances:**
- | | As on 31.03.2014
Amount (in Rs.) | As on 31.03.2013
Amount (in Rs.) | |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------|
| Remuneration Paid | 5,394,500 | 2,550,000 | |
| Directors' sitting Fees | 30,000 | 25,000 | |
| Payment for Services | 360,000 | 360,000 | |
| Loan Taken | 30,946,403 | 2,643,243 | 67,17801214 |
| Interest Paid | 1,782,105 | 1,454,104 | |
| Computation of Basic and Diluted Earnings per Share: | | | |
| Profit/(Loss) after Tax | | (43,806) | 2,482,702 |
| Weighted average number of equity share outstanding during the year | | 2,942,800 | 2,942,800 |
| Face Value Rs.10/- | | | |
| Basic and Diluted Earnings per share (including Shares pending for allotment) | | (Rs.0.01) | Rs.0.84 |



11) Additional Information pursuant to provision of Paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

i) Particulars in respect of Production, Stock etc. :

Class of Goods	Unit of Qty.	Licenced Capacity	Installed capacity as certified by the management	Actual Production		Closing Stock 31.03.2013		Closing Stock 31.03.2014	
				2013-14	2012-13	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Steel Casting	MT	24,000	24,000	2,205,817	2,336,760	5,560	417,000.00	17,890	1,162,500.00
Steel Shots & Grits	MT	4,200	4,200	-	-	15,090	630,805.00	-	-
Cold Rolled Steel Strips	MT	10,000	13,000	-	-	-	-	-	-
Cold Rolled Mild Steel Strips	MT	10,000	13,000	1,136,000	1,453,000	6,000	268,129.00	22,000	1,111,939.00
Cold Rolled Stainless Steel Strips	MT	-	-	-	-	-	-	-	-
Hot Rolled Steel Strips	MT	40,000	75,000	-	-	620,000	24,818,537.00	275,000	11,523,683.00
Hot Rolled Mild Steel Strips	MT	-	-	24,874,000	21,206,000	-	-	-	-
Hot Rolled Stainless Steel Strips	MT	-	-	-	-	311,000	1,688,115.00	399,000	1,397,917.00
Cold Rolled formed section	MT	-	-	5,170,000	3,979,000	20,000	1,103,200.00	151,000	9,708,816.00
Mild Steel Sections	MT	-	-	1,068,000	433,000	76,000	9,429,139.00	76,000	7,605,206.00
Stainless Steel Sections	MT	-	-	-	146,000	-	-	-	-
							38,354,925.00		32,510,061.00

Notes :

- 1) Production of Hot Rolled Stainless Steel Strips 5172 MT (3979 MT) processed on behalf of other parties on conversion job basis.
- 2) After de-control, licence is not required for any of the products of the Company. Licensed capacity given is as per licence originally granted.
- 3) Plant has run partly on single shift and partly on double shift basis.

ii) Particulars of turnover of products manufactured/trading items :

Class of Goods	31st March, 2014		31st March, 2013	
	Qty. MT	Value Rs.	Qty. MT	Value Rs.
Steel Casting	2193,487	246,890,487	2413,200	327,950,469
Cold Rolled Mild Steel Strips	1120,000	54,750,027	1483,000	70,775,537
Cold Rolled Formed Sections of Mild Steel	937,000	58,554,589	428,000	24,994,785
Cold Rolled Formed Sections of Stainless Steel	-	-	77,000	8,124,077
Hot Rolled Mild Steel Strips	25219,000	971,416,301	21519,000	817,455,427
Miscellaneous Sales	-	-	-	-
		1,331,611,404		1,249,300,295



- 1 Turnover of Hot Rolled Products does not include Trading Goods.
- 2 Turnover of Hot Rolled Mild Steel Strips includes 1113 MT (1395 MT) used for internal consumption (Value has not been included in the above turnover).
- 3 5084 MT (3967 MT) of Hot Rolled Stainless Steel Strips consist only job done on conversion basis.
- 4 For job work done on conversion basis, quantity alone has been considered in the aforesaid figures of turnover, but value has been shown separately under the head "Processing Charges" in Profit & Loss Account and not included here in the value column.

iii) Value of Raw Material, Components & Stores/spares parts consumed and percentage thereof :

Class of Goods Raw Materials :	31st March, 2014		31st March, 2013	
	Rupees	Percentage	Rupees	Percentage
Indigenous	1,143,181,924	100.00	825,846,361	77.12
Imported	1,143,181,924	100.00	245,018,000	22.88
			1,070,864,361	100.00
Stores/Spares :				
Indigenous	39,298,440	100.00	46,871,611	100.00
Imported	39,298,440	100.00	46,871,611	100.00
Value of imports on C.I.F. basis				
Bloom Slabs				
	31st March, 2014		31st March, 2013	
			245,018,000.00	
iv) Expenditure in foreign currency :				
Travelling Expenses	31st March, 2014		31st March, 2013	
			535,852	
v) Earning in foreign exchange :				
FOB Value of Goods Exported				
vi) Class of Goods :				
Raw Material	282,694,584		282,694,584	

12) Operation of the Serampore Unit remained suspended during the year.

13) Figures in brackets are for previous year. Previous year's figures have been regrouped or re-arranged wherever found necessary.



ORIENT STEEL & INDUSTRIES LTD.

Managing Director

ORIENT STEEL & INDUSTRIES LTD.

Executive Director