

CHATURVEDI & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To
The Members of
Orient Steel & Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Orient Steel & Industries Limited** (hereinafter referred to as 'the Company') which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.



Basis for Qualified Opinion

- (i) As referred in Note No.26(6)(c) to the accompanying financial statements, liability towards Leave encashment has not been determined by actuary and not provided for in the books of accounts in accordance with Accounting Standard (AS) 15 "Employee Benefits" on accrual basis and its consequential impact has not been ascertained at this stage;
- (ii) As referred in Note No.27 (1) (iv) no provision had been made as against Doubtful debts of INR 483.97 Lacs (PY: INR 366.92 Lacs) in the accounts as at 31st March 2017 for the reason stated therein. In absence of any corroborate evidences we are unable to comment on the extent of realisability of these outstanding dues;
- (iii) As referred in Note No.27(1)(v), certain balances under Trade payables of INR 2374.32 Lacs, Other current liabilities of INR 73.31 Lacs, Long-term Loans and advances of INR 31.36 Lacs, Trade receivables of INR 1739.42 Lacs and Short-term Loans and advances of INR 82.54 Lacs as at 31st March 2017 have not been confirmed as such its consequential impact upon receipt of such confirmations/ reconciliation of such balances, if any is not ascertainable at this stage;

We further report that the overall impact of matters mentioned under aforesaid paragraphs, the effect of which cannot be determined and commented upon by us.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention towards the outcome of the pending cases against the company as disclosed under Note No.-27 (1) (ii) "Contingent Liability" of the accompanying financial statements, overall impact of which cannot be ascertainable at this stage.

Our opinion is not qualified in respect of the matter.

Report on Other Legal and 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 sub-section (11) of section 143 of the Act, we give in the 'Annexure-A', a statement on the matters specified in the paragraph 3 and 4 of the said 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 *except as reported in the Basis for Qualified Opinion paragraph above*.
 - 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 and proper returns adequate for the purposes of our audit have been received from the Faridabad unit not visited by us.
 - c) The report on the accounts of the Faridabad Unit audited under section 143 (8) of the Companies Act, 2013 by the Branch Auditor has been sent to us and have been appropriately dealt with by us in preparing this report.
 - d) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.



- e) Except for the possible effect of the matter described in clause (i) of the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014,
- f) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g) On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as director under the sub-section (2) of Section 164 of the Companies Act.
- h) 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' and
- i) with respect to the other matters to be included in the Auditors' 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 disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No.-27 (1)(ii) to the financial statements];
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company at Kolkata office and at Faridabad unit as reported by the branch auditor of the company.[Refer Note 27(6) to the financial statements]

For Chaturvedi & Co.
Chartered Accountants
Firm Registration No.:302137E



R.K.Nanda
Partner
Membership No.510574

Place: Kolkata
Dated: August 14, 2017

'Annexure-A' to the Independent Auditors' Report

(Referred to in Paragraph 1 of "Other Legal and Regulatory requirements" of our Audit Report)

- (i) In respect of Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us, the Company has a programme of physical verification of its fixed assets once in three years. Pursuant to such programme, a portion of the fixed assets have been physically verified by the management during the year and no discrepancies noticed on such verification as compared to book records.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the company. For Faridabad unit of the company, the original title deeds of the properties are held by the lenders as reported by branch auditors' of the company.
- (ii) The inventories of the company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No such material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (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 Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. 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 on the company in respect of the aforesaid deposits.
- (vi) Based on the information available and as explained to us, the cost records are maintained by the Company pursuant to the Rule made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and *prima facie*, the prescribed accounts and records have been made and maintained. However, a detailed examination of the records with a view to determine whether they are accurate or complete has not been done by us and by the branch auditors as reported in their Auditors' report
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing the undisputed statutory dues including Provident fund, Income Tax, Sale tax, Wealth Tax, Service Tax, Duty of customs, Duty of Excise, Value added Tax, Cess and any other statutory dues as applicable with the appropriate authorities. There were no un-disputed statutory dues as at the end of the year outstanding for a period of more than six months from the date they became payable.



(b) According to information and explanation given to us, the dues related to Central Excise, WB Sale tax, Central Sales tax and Entry tax, which have not been deposited as on 31st March 2017 on account of disputes with the relevant authorities, have been given below:-

Name of Statute	Nature of Dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise	20.80	2010-2011	Asst. Comm. Central Excise Office, Howrah
WBST Act, 1944	Sales Tax	3.89	2013-14	Appeal Filed/ Sr. Joint Commissioner on 15.11.2016
CST Act, 1956	Sales Tax	0.42	2005-2006	Revision filed in Board
Entry Tax	Entry Tax	1.24	2016-17	Kolkata High court
		0.18	2013-14	
		1.05	2014-15	
		1.15	2015-16	

- (viii) In our opinion, according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks. The Company has not issued any debenture during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as such provisions to paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Sections 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as such provisions to paragraph 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.:302137E


R.K.Nanda
Partner
Membership No.510574

Place: Kolkata
Dated: August 14, 2017

'Annexure-B' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) 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 **Orient Steel & Industries Limited** (hereinafter referred to as 'the Company') as of 31st March 2017 in conjunction with our audit of the 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 ('ICAI'). 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



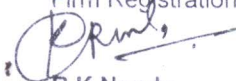
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

According to the information and explanations given to us, and based on our audit, in our opinion, the Company has generally maintained, in all material respects, an internal financial controls over financial reporting which were operating effectively as of 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India. *However the Company has to improve its design deficiencies by way of identifying the significant account balances including the fixed assets accounting, incorporating the process flow by which the financial transactions are initiated, authorized, processed, recorded, and reported at departmental level, related accounting records, supporting informations and events/conditions other than the transactions that are significant to the financial statements so as to fulfill objectives of control criteria established at Company.*

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.:302137E



R.K.Nanda
Partner
Membership No.510574

Place: Kolkata
Dated: August 14, 2017

ORIENT STEEL & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	Year Ended March 31, 2017 (Amount in Rupees)	Year Ended March 31, 2016 (Amount in Rupees)
INCOME			
Revenue from operations	19	8485,24,919	13739,30,919
Other income	20	106,79,998	215,83,000
		8592,04,916	13955,13,919
EXPENSES			
Cost of Material Consumed	21	4623,04,773	9917,46,420
Changes in inventory of work in progress/Finished Goods	22	985,45,085	(239,27,843)
Employee benefits expense	23	486,51,331	581,83,262
Finance costs	24	674,04,400	627,81,272
Depreciation and amortization expenses	9	333,35,910	331,01,561
Other Expenses	25	1442,12,055	2416,28,100
		8544,53,555	13635,12,772
Profit before Exceptional and Extraordinary items and Tax	-	47,51,361	320,01,147
Exceptional Items (Prior Period Adjustemt)		-	-
Profit before Extraordinary items and Taxes	-	47,51,361	320,01,147
Extraordinary Items		-	-
Profit before tax	-	47,51,361	320,01,147
Less Tax Expenses			
i. Current tax		13,47,933	87,15,876
ii. Deffered tax		41,25,766	31,18,064
iii. For earlier year		(15,44,707)	-
Profit / (Loss) after Tax		8,22,369	201,67,207
Earnings per Share			
-Basic EPS		0.28	6.85
-Dilluted EPS		0.28	6.85

Significant Accounting Policies 26

Additional Informations **AS PER OUR REPORT OF THIS DATE ANNEXED** 27
As per our report of even date attached

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

R. K. Nanda
Partner
Membership No.510574

Place : Kolkata
Date : 14th August, 2017

For ORIENT STEEL & INDUSTRIES LTD


Nawal Kishore Rajgarhia
Chairman & Mangaing Director
Din NO.00439689


Nilesch Rajgarhia
Executive Director
Din No. 00439715

ORIENT STEEL & INDUSTRIES LIMITED
Notes to Financial Statements

(Amount in Rupees)

Note:-1 Share Capital	As at	As at
	March 31, 2017	March 31, 2016
a. Authorised:		
32,70,000 (P.Y: 32,70,000) Equity Shares of Rs. 10/- each	327,00,000	327,00,000
10,000 (P.Y 10,000) Preference Shares of s. 100/- each	10,00,000	10,00,000
	337,00,000	337,00,000
b. Issued & Subscribed Paid-up:		
26,53,200 (26,53,200) Equity Shares of Rs. 10/- each issued as fully paid up shares	265,32,000	265,32,000
2,89,600 (2,89,600) Equity Shares of Rs. 10/- each Issued as fully paid up bonus shares by Capitalisation of General Reserve	28,96,000	28,96,000
	294,28,000	294,28,000

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
At the beginning of the year	29,42,800	294,28,000	29,42,800	294,28,000
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	29,42,800	294,28,000	29,42,800	294,28,000

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, 2017		As at March 31, 2016	
	No.	% holding	No.	% holding
Nawal Investment Pvt. Ltd.	4,70,740	16	4,70,740	16
Nawal Kishore Rajgarhia	3,20,150	11	3,20,150	11
Maroon Projects Pvt. Ltd.	4,84,400	16	4,84,400	16
Sujata Investments Limited	2,56,350	8.711	2,56,350	8.7
Rajkumari Rajgarhia	2,31,770	7.876	2,31,770	7.8
Nilesh Rajgarhia	2,22,900	7.574	2,22,900	7.5
Shuchi Rajgarhia	1,63,000	5.539	1,63,000	5.5

(Amount in Rupees)

Note: 2 RESERVE & SURPLUS	As at	As at
	March 31, 2017	March 31, 2016
a) General reserve	95,12,543	95,12,543
b) Capital reserve		
c) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	2623,11,941	2421,44,734
Profit for the year	8,22,369	201,67,207
Balance at the end of the year	2631,34,310	2623,11,941
Sub Total(c)	2631,34,310	2623,11,941
TOTAL(a+b+c)	2726,46,853	2718,24,484

(Amount in Rupees)

Note:-3 LONG TERM LOAN	As at 31, 2017	March 31, 2016
Secured:		
Vehicle Loan from Banks (Refer to Note Below)	45,24,372	58,25,191
Unsecured:		
From Related parties		-
- Directors	604,68,204	152,53,204
- Body Corporate	306,17,310	1445,18,497
From Others	1550,32,488	306,27,310
TOTAL	2506,42,374	1962,24,202

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 instalment 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 10.01% and is repayable in 60 monthly installments last instalment being due on October 15, 2020

c) Vehicle loan from Kotak Mahindra Bank is secured by way of hypothecation of vehicle purchases. It carries interest rate of 11.10% and is repayable in 60 monthly installments last instalment being due on March 01, 2021

Kolkata

(a) Vehicle Loan from BMW financial services is secured by way of hypothecation by of vehicle purchase. It carries interest rate of 9.10% p.a and is repayable in 60 monthly instalments. Last instalment being due on 16/01/2021

b) Vehicle Loan from Kotak Mahindra Prime Ltd. is secured by way of hypothecation by of vehicle purchase. It is repayable in 36 monthly instalments. Last instalment being due on 01.08.2018

c) The Unsecured Loans are taken for the purpose of Normal Business Operations and are agreed to be repayable when there is surplus fund available.

(Amount in Rupees)

Note:-4 LONG-TERM PROVISION	As at 31, 2017	March 31, 2016
Provision for Employee Benefits:		
-For Gratuity	156,62,329	137,46,295
Provision for Taxation	30,82,362	124,53,973
TOTAL	187,44,691	262,00,268

(Amount in Rupees)

Note: 5 SHORT-TERM BORROWINGS	As at 31, 2017	March 31, 2016
Secured Loan		
Cash Credit Loan from Banks (Refer to Note Below)	973,97,492.55	1897,41,573.39
Unsecured Loan		
Rajgarhia Leasing and Financial Services Pvt Ltd.	200,00,000.00	-
TOTAL	1173,97,492.55	1897,41,573.39

Note :-

Cash Credit Loans from UCO Bank Ltd @ Bank Rate +4.00%, secured by hypothecation of inventories, store & spare, book debts and other movables and collateral security of factory, land and plant & machinery at Ballabhgarh and Serampore both present and future

(Amount in Rupees)

Note:-6 TRADE PAYABLES	As at 31, 2017	March 31, 2016
Sundry Creditors		
-Micro, Small and Medium Enterprises *	-	-
-Others **	2374,32,301	2261,35,829
TOTAL	2374,32,301	2261,35,829

* 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.

** Others Sundry Creditors includes Acceptance of Rs14,39,72,720. Previous Year Rs 11,95,04,795

(Amount in Rupees)

Note:- 7 OTHER CURRENT LIABILITIES	As at 31, 2017	March As at 31, 2016
Current maturities of Long Term Debt	3,75,009	4,22,781
Interest accrued but not due to Banks	9,02,668	8,24,559
Advances From Customers	73,31,297	216,72,431
Provision for Excise duty on Closing Stock of Finished Goods	10,32,304	4,62,216
Other Liabilities		
-Statutory dues payable	75,33,124	244,87,352
-Others	122,99,356	167,31,086
TOTAL	294,73,758	646,00,425

(Amount in Rupees)

Note:- 8 SHORT-TERM PROVISIONS	As at 31, 2017	March As at 31, 2016
Provision for Employee Benefits:		
Unpaid Salary	28,44,008	30,52,651
Bonus	3,66,412	3,81,601
Leave Encashment	29,52,495	26,67,854
Gratuity	35,00,807	46,47,189
TOTAL	96,63,722	107,49,295

(Amount in Rupees)

Note:-10 Non-Current Investments	As at 31, 2017	March As at 31, 2016
In Government Securities (Unquoted) Post Office National Savings Certificate	500	500
Total	500	500

Note11 :- Deferred Tax Assets /(Liability)

The major component of Deferred Tax Assts /(Liability) are as under :

Particulars	(Amount in Rupees)		
A) Deferred Tax Liability	As at March 31,2016	During the Year 2016-17	As at March 31,2017
For Difference in WDV as per Companies Act & as per Income Tax Act	370,68,406	47,33,320	418,01,726
B) Deferred Tax Assets			
Disallowances of Expenditures	486,74,978	6,07,554	492,82,532
Net Tax Assets (B-A)	116,06,572	(41,25,766)	74,80,806

(Amount in Rupees)

Note:-12 Long Term Loan and Advances (Unsecured, Considered Good)	As at 31, 2017	March As at 31, 2016
Security Deposits	31,36,475	27,86,475
Capital advance	45,00,000	48,10,081
Total	76,36,475	75,96,556

(Amount in Rupees)

Note:-13 Other Non-Current Assets (Unsecured, Considered Good)	As at 31, 2017	March As at 31, 2016
Deposits with Government Department	27,25,701	46,21,984
Total	27,25,701	46,21,984

ORIENT STEEL & INDUSTRIES LTD.
2, BRABOURNE ROAD, KOLKATA-700 001.

SCHEDULE-9: FIXED ASSETS									
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 01-Apr-16	Additions	Sales & Adjustment	Total as at 31-Mar-17	Upto 01-Apr-16	For the year	Adjustment	Upto 31-Mar-17	WDV 31-Mar-17
Tangible Assets:									
Land & Development	8829978	5192682	0	14022660	0	0	0	0	8829978
Leasehold Land	32439680	0	0	32439680	1966044	327674	0	2293717.0	30473637
Building	1793256	17568981	0	19362237	797967	0	0	797967.0	18564270
Factory Shed & Building	65782046	0	0	65782046	26791108	1543695	0	28334803.3	38990938
Plant & Machinery	428749352	75141138	0	503890490	207430459	28081464	0	235511922.6	221318893
Office Equipment	2911931	103700	0	3015631	2078890	259619	0	2338509.8	833041
Vehicles	16898552	0	1956687	14941865	8879907	1643129	1855905	8667130.6	8018645
Computer	1807052	48350	0	1855402	1526793	62415	0	1589207.7	280259
Furniture & Fittings	4941438	0	0	4941438	3504448	94717	0	3599165.2	1436990
Generator Set	30848558	0	0	30848558	10120792	1323197	0	11443989.0	20727766
Total of Tangible Assets (A)	595001843	98054851	1956687	691100007	263096408	33355910	1855905	294576412.2	331905435
previous Year	493434927	107378691	5811775	595001843	232615483	33101561.1	2620636	263096508.1	261143756

Capital Work in Progress (B)

667,16,603.00

57308239

67671025

77079389

57308239

57308239

667,16,603.00

(Amount in Rupees)			
Note:-14 INVENTORIES *	As at	March	As at
(Valued & Certified by the management)	31, 2017	31, 2016	31, 2016
Finished Goods	423,16,899	962,27,848	
Work-in-Progress	646,72,929	1098,48,546	
Raw-material	1108,84,020	688,26,118	
Stores & Spares	372,91,676	560,85,520	
Scrap	13,02,090	6,61,963	
By Product	-	98,646	
TOTAL	2564,67,614	3317,48,641	

* Additional Information :-Refer Note No.26(5)

(Amount in Rupees)			
Note:- 15 TRADE RECEIVABLES	As at	March	As at
(Unsecured, Considered good, unless otherwise stated)	31, 2017	31, 2016	31, 2016
i. Outstanding for a period exceeding six months from the date they are due for payment			
a) Unsecured, considered good	388,89,111	1175,58,513	
b) Unsecured, considered Doubtful	483,97,710	366,91,622	
Less : Provision for doubtful debts	-	-	
	(A) 872,86,821	1542,50,135	
ii. Others debts (Unsecured, Considered good)	866,54,717	474,30,070	
	(B) 866,54,717	474,30,070	
TOTAL (A+B)	1739,41,538	2016,80,205	

(Amount in Rupees)			
Note:- 16 CASH AND BANK BALANCES	As at	March	As at
	31, 2017	31, 2016	31, 2016
i. Cash on hand	7,73,282	21,33,231	
ii. Bank Balance;			
a) In current Account	3,66,675	40,78,043	
b) In Fixed Deposit account (maturity less than 3 months)	-	-	
iii. Other Bank Balances			
-Fixed deposits with maturity less than twelve months held as margin money or security against the bank guarantees, Letter of credit, Letters of comfort, etc	185,79,421	133,96,279	
-With Post Office Savings Bank Account	13,250	13,250	
(Pass Book Pledged with collector of Central Excise)			
TOTAL	197,32,628	196,20,803	

*Fixed deposits amounting to INR 1,85,79,421 which are lien with bank and the same are physically available with the bank.

(Amount in Rupees)			
Note:- 17 SHORT-TERM LOANS AND ADVANCES	As at	March	As at
(Unsecured, considered good, unless otherwise stated)	31, 2017	31, 2016	31, 2016
Advances recoverable in cash or in kind or for value to be received	82,53,676	114,59,550	
Claim Receivable	1,34,310	-	
Security deposit with Government	-	3,50,000	
Prepaid Expenses	4,54,345	11,00,550	
Balances with Government authorities	185,04,018	54,92,438	
TOTAL	273,46,349	184,02,538	

(Amount in Rupees)			
Note :- 18 OTHER CURRENT ASSETS	As at	March	As at
	31, 2017	31, 2016	31, 2016
Accrued Interest on fixed deposits	2,96,560	94,083	
Advance Tax	75,00,000	150,00,000	
Lease Rent Receivable	50,17,029	-	
ITDS Deducted by Party (Asset)	34,52,158	59,10,156	
Others	-	-	
TOTAL	162,65,747	210,04,239	

2

(Amount in Rupees)			
Note:-19 REVENUE FROM OPERATIONS	As at	March	As at
	31, 2017	31, 2016	March
Sales of Products :			
Finished Goods *	8096,65,105	13117,99,428	
Scrap and By Products	149,34,203	413,00,651	
	8245,99,308	13531,00,079	
Sales of Services	-	-	
Job work charges	239,25,611	208,30,840	
	-	-	
TOTAL	8485,24,919	13739,30,919	

* Additional Information :-

Particulars of turnover of products manufactured/trading items :

Class of Goods	31st March, 2017		31st March, 2016	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
Steel Casting	2,321	2741,23,238	1,890	2124,32
Cold Rolled Mild Steel Strips	333	146,35,116	646	282,39
Cold Rolled Formed Sections of Mild Steel	1,744	1088,43,016	882	752,42
Cold Rolled Formed Sections of Stainless Steel	2,724	3058,03,722	3,498	3555,47
Hot Rolled Mild Steel Strips	2,804	995,15,698	11,954	3670,30
Sheet Piles Z Type	149	67,44,315	-	-
Hot Rolled Stainless steel strips	5,279	-	4,138	2733,08
Total		8029,20,790		13117,99

(Amount in Rupees)			
Note:- 20 OTHER INCOME	As at	March	As at
	31, 2017	31, 2016	March
Interest received from Bank	11,94,509	9,55,293	
Interest received from Others	2,88,851	-	
Miscellaneous receipts (Net)	15,63,250	18,49,607	
Profit on sale of fixed assets(MOTOR CAR)	2,79,219	1,56,979	
Lease Rent	50,01,000	-	
Compensation of Land & Building	-	163,82,060	
Wind Mill income	23,53,169	22,39,061	
TOTAL	106,79,998	215,83,000	

(Amount in Rupees)			
Note:- 21 COST OF MATERIALS CONSUMED *	As at	March	As at
	31, 2017	31, 2016	March
Opening Inventory	688,26,118	522,24,904	
Add : Purchases of Raw materials	5043,62,675	10083,47,634	
Less: Inventory at the end of year	1108,84,020	688,26,118	
Less: Goods Returned	-	-	
TOTAL	4623,04,773	9917,46,420	

* Additional Information :-

Analysis of Raw-materials and components consumed :

Class of Goods	31st March, 2017		31st March, 2016	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
M.S. Scrap, C.I. Scrap, Sponge Iron etc.	1618.930	506,28,695	2,287.82	672,69,1
Ferro Silicon	1.100	85,706	-	2,59,5
Ferro Manganese	19.160	95,14,963	-	20,67,8
Ferro Moly	-	-	-	-
Ferro Titanium	3.000	3,17,642	-	1,10,5
Sundry Raw Materials	-	6,19,657	-	7,27,2
Hot Rolled Mild Steel Strips	342.000	-	725.00	25,67,6
Mild Steel Flats/Ingots/Slabs/Blooms	3917.000	873,53,169	13,482.00	3719,34,1
H.R. Coil	613.000	268,73,529	6,500.00	2243,71,2
Hot Rolled Stainless Steel Coils	3009.000	2100,73,799	3,574.00	2702,32,1
Silicon Manganese	20.300	12,11,400	39.05	15,38,7
Bought out components	-	751,78,965.00	-	506,68,131
Total		4618,57,525		9917,46,4

(Amount in Rupees)			
Note:- 22 CHANGES IN INVENTORY OF FINISHED GOODS	As at 31, 2017	March	As at 31, 2016
Stock at the end of the year			
-Finished Goods	423,16,899		962,27,848
-Work-in-process	646,72,929		1098,48,546
-By Product	-		98,646
-Scrap	13,02,090		6,61,963
Less:			
Stock at the Opening of the year			
-Finished Goods	962,27,848		682,33,167
-Work-in-process	1098,48,546		1135,16,535
-By Product	98,646		2,64,187
-Scrap	6,61,963		8,95,271
Increase/(Decrease) in stocks	985,45,085		(239,27,843)

(Amount in Rupees)			
Note:- 23 EMPLOYEES BENEFITS EXPENSES	As at 31, 2017	March	As at 31, 2016
Salaries & Wages, Bonus and Leave Salary	362,80,740		441,74,527
Contribution to provident fund and other funds	44,94,280		45,09,778
Staff Welfare Expenses	17,44,778		30,63,348
Gratuity	61,31,533		64,35,609
TOTAL	486,51,331		581,83,262

Additional Informations

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

(Amount In Rupees)			
Defined Contribution Plan:	2016-2017	2015-2016	
Employer's contribution to provident fund	44,94,280.00	45,09,778.00	

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

Reconciliation of Opening and Closing Balances of Defined Benefit Obligations:

	(Amount in Rupees) 31-Mar-17	(Amount in Rupees) 31-Mar-16
Balance as on 31.03.2017	19163135.85	173,34,118.00
Less: Balance as on 31.03.2016	18393483.85	116,65,275.07
Incremental Liability	769652	56,68,842.93
Add: Paid during the year 2016-2017	4431260	7,66,766.00
Add: Written back during the year/ (Written off)	930621	-
Total expenses for the year	6131533	64,35,608.93

The Financial Assumptions employed for the calculations are as follows :

	2016-2017	2015-2016
Discount Rate	6.88%P.A	7.59%P.A
Rate of Increase Salaries	5.00%P.A	5.00%P.A
Withdrawal Rate	2.00%P.A	2.00%P.A
Mortality	IALM 2006-08 Ultimate	

(Amount in Rupees)			
Note:- 24 FINANCE COST	As at 31, 2017	March	As at 31, 2016
Interest On Borrowings:			
-From Banks	188,49,074		178,81,895
-From Body Corporates	263,21,175		263,66,239
Other Borrowings Cost	222,34,151		185,33,138
TOTAL	674,04,400		627,81,272

(Amount in Rupees)		
Note:- 25 OTHER EXPENSES	As at 31, 2017	As at 31, 2016
Manufacturing Expense:		
Consumption of Stores	455,60,090	508,79,111
Power & Fuel	683,14,239	1033,92,659
Repairs & Maintenance :		
-Building	84,554	2,60,514
-Plant & Machinery	35,23,791	71,20,129
Excise Duty including excise duty in change in Inventory	59,09,725	365,63,027
Processing charges paid	45,50,450	81,57,337
Selling and Distribution Expenses		
Freight, transport and handling charges	8,38,516	40,95,359
Advertisement	30,400	60,050
Rebate & Discount	673	2,02,075
Brokerage & Commission	42,068	22,76,950
Sales Tax Expenses	87,011	90,915
R & D Expenses	66,500	60,000
Administration Expense		
Repairs & Maintenance	3,07,277	3,38,079
Rent	2,19,456	2,19,456
Rates & Taxes	2,76,538	8,04,800
Insurance	3,49,267	2,24,338
Donation	81,200	1,62,900
Bank Charges	9,51,843	6,02,854
Auditor's Remuneration :		
-Audit Fee	1,86,980	1,86,980
-Tax Audit Fee	56,400	56,400
Printing & Stationery	3,98,936	6,00,266
Vehicle Maintenance	9,62,306	12,05,342
Travelling & Conveyance	34,99,850	47,49,185
Communication Expenses	6,22,902	6,91,997
Legal & Professional Expenses	17,13,815	17,60,024
Duties & Taxes	4,55,299	22,74,612
Security Service Charges	6,82,349	6,79,439
Membership & subscriptions	4,62,709	4,78,822
Loss on sale of fixed asset	-	3,82,912
Balances Written off	6,78,586	60,57,572
Windmill Expenses	8,15,579	7,63,168
Miscellaneous Expenses	24,82,746	62,30,828
Total	1442,12,055	2416,28,100

ORIENT STEEL & INDUSTRIES LTD.

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 accumulated depreciation. Cost is inclusive of freight, taxes & incidental expenses. Cost of borrowings for assets taking substantial time to be ready to use is capitalised for the period up to the time the asset is ready to use.
- b) The company provides pro-rata depreciation from the date on which asset is acquired / put to use using the straight line method at the life specified in Schedule II of The Companies Act, 2013.
- c) Fixed Assets are reviewed for impairment when ever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. For items of fixed assets carried at cost, the recoverable amount is higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash generating unit. Impairment loss recognized for an asset in earlier accounting periods is reversed, to the extent of its recoverable amount, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss is recognized.
- d) Capital-work-in progress is stated at cost.

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 value of investments.

5) **Inventories :**

Inventories cost has been arrived at in case of --

- a) Raw Materials is valued at cost. Cost comprises cost of purchase and other costs incurred in bringing the inventories to the factory.
- b) Work in progress is valued at on absorption cost basis to the extent.
- c) Finished Goods are valued at lower of cost or net realisable value whichever is lower.
- d) Stores & Spares are valued at weighted average cost basis.
- e) Waste Products and Scraps are valued at estimated realisable value.

6) **Employee Benefits :**

- a) Retirement 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 is 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.

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- 8) **Sales/Revenue Recognition :**
- Revenue from sales is recognized on dispatch of goods from factory or depot. Sales are inclusive of Excise Duty where applicable, but excluding Sales Tax.
 - Interest Income is recognized on time and proportion basis taking into account the amount outstanding and the rate applicable.
 - 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.
- 12) **Lease**
Finance lease or similar arrangements, which effectively transfer to the company substantially all the risks and return incidental to ownership of the leased items are capitalised and disclosed as leased assets. Finance charges in the form of interest are charged to the Statement of Profit and Loss.

Schedule 27: ADDITIONAL INFORMATION

1) CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER ADDITIONAL INFORMATION

i) Capital Commitments:

There is no Capital Commitments during 2016-17.

ii) Contingent Liabilities :

- Counter guarantees given to Bankers against guarantees given by them on behalf of the Company and remaining outstanding as on 31.03.2017 amounts to Rs.62885523 (49034905) and Letter of Credit remaining outstanding as on 31.03.17 amounts to Rs.120000000 (83400000)
- Excise Demand contested with appropriate authority Rs.2079661 (983158)
- Demand of Sales Tax/Purchase Tax Rs.432081 (Rs.6936185), against which no provision has been made in the current year.
- Liability for Entry Tax (up-to 31.03.2017) is Rs.169927 (Rs 173824). 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 Honable high court of calcutta and the final decision is pending till date. However no provision has been made in our books for the same

iii) 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.

iv) (i) In Faridabad Unit, No provision has been made against Sundry Debtors of Rs.3,42,06,377 (Rs.36691622), recovery of which is doubtful, against which legal action for recovery has been initiated by the company, but no provision has been made, 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.

(ii) In Kolkata Unit, Trade Receivable as on 31.03.2017 is Rs 6,82,51,017/- are unsecured and considered good except to the tune of Rs 1,41,91,333/- which is due since more than 1 year and are doubtful for which no provision is made there against as the management is pursuing the matter with the parties for recovering the amount. The periodical bifurcation of Rs 1,41,91,333/- is as follows:

Period	Amount (Rs)
1 Year to 3 Year	4627288.2
More Than 3 Year	9564044.85
Total	14191333.05

- Balance of Sundry Debtors, Sundry Creditors, Advances and Deposits as appearing in the Balance Sheet are subject to confirmations.
- Rebate & Short recoveries include write off, short recoveries, transit losses, liquidated damages and rebate allowed on sale of earlier years.
- Profit/Loss on Sale of Raw Materials, Stores and Spares remains adjusted in their respective consumption accounts.

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2) **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.

3) **Related Party Disclosure :**

A) **List of Related Parties :**

i) **Key Management Person**

Shri N.K. Rajgarhia Chairman & Managing Director
Shri Nilesh Rajgarhia Executive Director
Smt. Shuchi Rajgarhia Women-Director
Smt. Rajkumari Rajgarhia Executive Assistant

ii) **Other Related Parties :**

(Company/Enterprises over which Key Management Personnel and/or their relatives exercise significant influence).

- Maroon Projects (P) Ltd.
- Sujata Investments Ltd.
- Nawal Investment (P) Ltd.

B)

		2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
Details of transactions/ outstanding balances :			
i) With Key Managerial Personnel			
Remuneration Paid	67,92,000	65,28,000	
Directors' Fees	25,000	25,000	
Payment for Services	4,20,000	4,20,000	
Loan Taken	578,55,000	429,85,000	
Loan Paid	126,40,000	696,90,079	
Interest Paid	36,89,580	13,10,886	
Balance outstanding Receivable/(payable) as on 31.03.2017	-60468204	-15453204	
ii) Enterprises where the key management personnel having significant control/influences			
		2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
Loan Taken	20960000	34140000	
Loan Paid	10456010	10286238	
Interest Paid	15843904	14199504	
Balance outstanding	155032488	145055807	

4) **Computation of Basic and Diluted Earnings per Share :**

Profit after Tax

Weighted average number of equity share outstanding during the year

Face Value Rs.10/-

Basic and Diluted Earnings per share (including Shares pending for allotment)

2016-17	2015-16
8,22,369	201,67,207
29,42,800	29,42,800
Rs. 0.28	Rs. 6.85

5)

Additional Information pursuant to provision of Paragraph 3, 4C & 4D of Part II of Schedule III of the Companies Act, 2013.

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

Class of Goods	Unit of Qty.	Licensed Capacity	Installed Capacity as certified by management	Actual Production 2016-17		Closing Stock as on 31.03.2016/ Opening stock as on 1.04.2016		Closing stock as on 31.03.2017	
				2016-17 Qty	2015-16 Qty	Qty	Value(Rs)	Qty	Value (Rs)
Steel Casting	MT	24,000	24,000	2,327,890	1,905,796	84,660	81,65,816.00	91,570	84,24,888.000
Steel Shots & Grits	MT	4,200	4,200	-	-	-	-	-	-
Cold Rolled Steel Strips	MT	10,000	13,000	-	-	-	-	-	-
Cold Rolled Mild Steel Strips				307,000	651,000	26,000	11,26,174.00		
Cold Rolled Stainless Steel Strips				-	-	-	-	-	-
Hot Rolled Steel Strips	MT	40,000	75,000	-	-	-	-	-	-
Hot Rolled Mild Steel Strips				2,647,000	12,018,000	380,000	130,89,138.00	9,000	3,34,500.000
Hot Rolled Stainless Steel Strips				5,176,000	5,614,000	103,000	-	-	-
Cold Rolled formed section	MT	36,000	36,000	106,000	608,000	46,000	19,61,320.00	3,000	2,86,270.000
Sheet piles Z type				434,000	5,416,000	1,585,000	668,58,046.00	275,000	135,98,888.000
Mild Steel Sections				2,871,000	3,351,000	59,000	50,27,354.00	206,000	196,77,354.000
Stainless Steel Sections				-	-	-	962,27,848.00	-	423,21,900.00

Notes :

- 1) Production of Hot Rolled Stainless Steel Strips 5176 MT (5614 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. (as certified by management).

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

Class of Goods	31st March, 2017		31st March, 2016	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
Steel Casting	2320.980	2741,23,238	1890.030	2124,32,109
Cold Rolled Mild Steel Strips	333.000	146,35,116	646.000	282,39,813
Cold Rolled Formed Sections of Mild Steel	1744.000	1088,43,016	882.000	752,42,174
Cold Rolled Formed Sections of Stainless Steel	2724.000	3058,03,722	3498.000	3555,47,026
Hot Rolled Mild Steel Strips	2804.000	995,15,698	11954.000	3670,30,284
Sheet Piles Z Type	149.000	67,44,315	4138.000	2733,08,022
Hot Rolled Stainless Steel Strips	5279.000	-	5950.000	-
Miscellaneous Sales				
		<u>8096,65,105</u>		<u>13117,99,428</u>

- (i) Turnover of Hot Rolled Mild Steel Strips includes 185 MT(762 MT) on conversion job basis.
(ii) Turnover of Hot Rolled Mild Steel Strips includes 5279 MT (5614MT) used for internal consumption (Value has not been included in the above turnover).
(iii) For job work done on conversion basis, quantity alone has been considered in the aforesaid figures of turnover,

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

Class of Goods

Raw Materials :

Indigenous

Imported

Stores/Spares :

Indigenous

Imported

Value of imports on C.I.F. basis

Bloom Slabs

C) Expenditure in foreign currency :

Travelling Expenses

D) Earning in foreign exchange :

FOB Value of Goods Exported

E) Class of Goods :

Raw Material

31st March, 2017		31st March, 2016	
Rupees	Percentage	Rupees	Percentage
4623,04,773	100.00	8285,67,738	83.54
-	0.00	1631,78,682	16.46
4623,04,773	100.00	9917,46,420	100.00
455,60,090	100.00	508,79,110	100.00
-	0.00	-	0.00
455,60,090	100.00	508,79,110	100.00
31st March, 2017		31st March, 2017	
-		1631,78,682.00	
31st March, 2017		31st March, 2016	
-		-	
NIL		NIL	
2826,94,584		2826,94,584	

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- 6) Details of Specified Bank Notes (SBN) as defined in the Ministry of Corporate Affairs (MCA) notification G.S.R. 308 (E) dated March 31, 2017 held and transacted during the period November 08, 2016 to December 30, 2016 are under:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	3,84,196	3,84,196
(+) Permitted receipts	-	21,88,377	21,88,377
(-) Permitted payments	-	21,32,404.500	21,32,404.500
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	4,40,169	4,40,169

- 7) In accordance with "Accounting Standard 19-Accounting for Lease", the company has given Asset on Operating Lease

	Plant and Machinery	Building	Generator Set
Gross Carrying amount as on March 31, 2017	1703,20,946	345,60,796	10,54,330
Accumulated depreciation as on March 31, 2017	1172,97,548	138,08,723	9,85,049
Depreciation for the year 2016-17	142,53,825	8,36,262	34,880

Total of Future minimum lease payment under non-cancellable operating lease for each of the following periods:

- Not later than one Year Rs. 200.04 Lakhs
- Later than one year and not later than five years Rs. 150.03 Lakhs

Lease income recognized in the statement of Profit and loss for the year is Rs. 50.01 Lakhs.

Leasing Arrangement clause

a) Lease term is for 24 Months basis.

b) At the end of the lease period following options would be offered to us:

1. Terminate the lease and return the equipment
2. Renew the Lease for secondary period.

- 8) Operation of the Serampore Unit remained suspended during the year.

- 9) 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

ORIENT STEEL & INDUSTRIES LIMITED
CASH FLOW STATEMENT

Sl No	Particulars	2016-2017		2015-2016	
		Amount(Rs)	Amount(Rs)	Amount(Rs)	Amount(Rs)
	Net Profit After Tax		8,22,369		201,67,207
A.	Cash Flows from Operating Activities				
	Add:				
	Depreciation	333,35,910		331,01,561	
	Finance Charges	451,70,249		633,84,126	
	Provision For Income Tax			-	
	Sundry Balances Written off	6,78,586		59,44,507	
	Baddebts Written off	-		1,16,068	
	Loss on Sale of Asset (Net)			2,25,832	
	Less:				
	Wind Mill Income	(23,53,169)			
	Lease Rent	(50,01,000)			
	Interest Received	(14,83,360)		(9,55,293)	
	Profit on sale of Fixed Assets (Net)	(2,79,219)			
	Operating Profit before Working Capital Changes	722,38,300		1219,84,008	
	Changes in Assets and Liabilities				
	Add:-				
	Increase in Trade Payables	112,96,471		27,29,693	
	Increase in Provision for Gratuity	19,16,034		40,13,370	
	Decrease in Trade Receivables	277,38,668		444,50,750	
	Decrease in Other Current Assets	92,63,382		19,10,515	
	Decrease in Deferred Tax			31,18,064	
	Decrease in Inventories	752,81,027			
	Increase in Short Term Borrowings			584,59,520	
	Decrease in Short Term Loan and Advances			95,46,372	
	Increase in short term provision			27,21,428	
	Less:-				
	Decrease in Short Term Borrowings	723,44,081			
	Increase in Inventories			250,09,012	
	Decrease in short term Provision	8,76,931			
	Decrease in Other current Liabilities	354,13,420		124,30,319	
	Decrease in provision for taxation	132,19,544		28,07,124	
	Decrease in Trade Payables				
	Increase in Short Term Loan and Advances	89,43,810			
	Cash Generated from Operations	710,61,863		2086,87,265	
	Direct Taxes Paid (Net)	25,00,000			
	Net Cash Flows From Operating Activities (A)		735,61,863		2086,87,265
B.	Cash Flows From Investing Activities				
	Purchase/Sale of Fixed Assets (Net)	(882,35,624)		(1042,05,141)	
	Profit on Sale of Fixed Asset	2,79,219			
	Wind Mill Income	23,53,169			
	Interest Received	12,80,883		9,55,293	
	Increase/(Decrease) in long term loan and advances			1,56,189	
	Change in WIP			304,67,405	
	(Increase)/Decrease in Non-Current Assets	18,96,283		(8,66,904)	
	Net Cash Used In Investing Activities(B)		(827,76,070)		(734,93,158)
C.	Cash Flows From Financing Activities				
	Net Proceeds from Long Term Borrowings	544,18,173		(676,61,198)	
	Finance Charges	(450,92,140)		(633,84,126)	
	Net Cash Flows From Financing Activities (C)		93,26,032		(1310,45,324)
	Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)		1,11,825		41,48,783
	Opening Balance of Cash and Cash Equivalents		196,20,803		154,72,019
	Closing Balance of Cash and Cash Equivalents		197,32,628		196,20,803

As per our report of even date attached

For ORIENT STEEL & INDUSTRIES LTD

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 002137 E

R. K Nanda
Partner
Membership No. 510574

Place : Kolkata
Date : 14th August, 2017

Nawal Kishore Rajgarhia
Chairman & Managing Director
Din No. 00439689

Nilesh Rajgarhia
Executive Director
Din No. 00439715