

FIFTY SIX  
ANNUAL REPORT  
2011-2012

**ORIENT STEEL & INDUSTRIES LIMITED**

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**Orient Steel & Industries Limited**

**FIFTY SIX**

**ANNUAL REPORT**

**2011-2012**

**BOARD OF DIRECTORS**

SHRI N. K. RAJGARHIA *Chairman & Managing Director*

SHRI NILESH RAJGARHIA *Executive Director*

SHRI G. K. KHAITAN *Director*

SHRI P. K. PODDAR *Director*

**BANKERS**

UCO BANK

**AUDITORS**

CHATURVEDI & COMPANY

**REGISTERED OFFICE**

2, BRABOURNE ROAD

KOLKATA - 700 001

## NOTICE

NOTICE is hereby given that the 56th Annual General Meeting of the members of **ORIENT STEEL & INDUSTRIES LTD.** will be held at the Registered Office of the Company at 2, Brabourne Road, Kolkata-700 001, on Saturday, 29th September, 2012 at 11.00 A. M. to transact the following business :-

### As Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2012 and Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Nilesh Rajgarhia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri G. K. Khaitan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company for the Financial Year 2012-13 and to fix their remuneration.

### As Special Business :

1. To ratify the appointment of Shri Binod Kumar Jeloka, who was appointed as an Additional Director on the 14th day of August, 2012 and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing her candidature for the office of director.

Kolkata,  
Dated : 14th August, 2012  
Registered Office :  
2, Brabourne Road  
Kolkata-700 001.

By Order of the Board of Directors

**N. K. RAJGARHIA**  
*Chairman & Managing Director*

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting. A blank Proxy Form is enclosed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September to 29th September, 2012 (both days inclusive).
4. For the convenience of members, attendance slip is annexed to the Proxy Form. Members are requested to fill in and affix their signatures at the space provided therefore and hand over the Attendance Slip at the entrance at the place of meeting. Proxy/Representative of a Member should mark on the attendance slip as "Proxy" or "Representative", as the case may be.
5. There is no unpaid dividend as on 31st March, 2012.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Kolkata,  
Dated : 14th August, 2012  
Registered Office :  
2, Brabourne Road  
Kolkata-700 001.

By Order of the Board of Directors

**N. K. RAJGARHIA**  
*Chairman & Managing Director*

**DIRECTORS' REPORT**

Your Directors present herewith their 56th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

<b>FINANCIAL RESULTS</b>	2011-2012 (Rs. in lakhs)	2010-2011 (Rs. in lakhs)
Total Income	15155.74	12071.50
Total Expenses	<u>14884.33</u>	<u>11796.30</u>
Profit/(Loss) before Tax	271.40	275.19
Provision for Taxation – Current	(57.13)	(58.10)
Provision for Tax - Deferred	(24.46)	(38.35)
Provision for Wealth Tax	(0.07)	(0.07)
Income Tax relating to earlier year	<u>(9.51)</u>	<u>(3.35)</u>
Profit/(Loss) after Tax	154.27	175.31
Profit/(Loss) brought forward	2289.28	2113.97
Amount available for appropriation	<u>2443.55</u>	<u>2289.28</u>
<b>APPROPRIATIONS :</b>		
Proposed Dividend	–	–
Provision for Corporate Dividend Tax	–	–
Transfer From General Reserve	–	–
Balance Carried Forward	<u>2443.55</u>	<u>2289.28</u>
	<u>2443.55</u>	<u>2289.28</u>

**DIVIDEND**

In view of Inadequate Profit earned by the Company during the year under review, your Directors do not recommend any Dividend.

**OPERATION**

The Directors are pleased to inform that the Company has registered incremental turnover of Rs. 150.86 Crores as against Rs. 120.01 Crores achieved last year.

However, on account of cost cutting and other measures, the Company has been able to make pre-tax Profit of Rs. 271.40 Lakhs as against Rs. 275.36 Lakhs in the previous year.

The Company Expects better working results in the Financial Year in view of expected turnover from supplying materials to Railways and steady demand for Steel Products.

The Company has already commissioned a project to manufacture Cold Rolled Formed Sections of Steel at Faridabad to cater the demand of Railways, Automobile & Construction Industry at initial cost of Rs. 7 Crores.

**DIRECTORS**

Shri Nilesh Rajgarhia and Shri G. K. Khaitan retire from the Board by rotation and being eligible offer themselves for re-appointment.

#### **ENLISTMENT OF SECURITIES**

The Equity Shares of the Company are enlisted with Kolkata Stock Exchange and their listing fees have been paid in time.

#### **AUDITORS**

M/s. Chaturvedi & Company, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are recommended for re-appointment pursuant to Sec. 224(1) of the Companies Act, 1956. Certificate regarding their eligibility for re-appointment has been received from them.

The notes to the Accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

#### **DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed :

- ❖ in preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ❖ the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- ❖ the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- ❖ the Directors had prepared the Annual Accounts on a going concern basis.

#### **COMPLIANCE REPORT**

As a good Corporate Governance initiative, your Company has obtained a Compliance Certificate from a Practising Company Secretary for the year 2011-12. The report confirms that the Company has complied with all the applicable provisions of the Corporate Laws, guidelines rules etc. This is also in line with the provisions of voluntary guidelines on Corporate Governance issued recently by the Ministry of Corporate Affairs.

#### **PERSONNEL**

The Company had no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required information pursuant to Sec 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of the particulars in the report of Board of Directors) Report, 1988 have been given in Annexure 'A' to this Report.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the continued support and assistance provided to your Company by the Government agencies and departments, Ministry of Railways, Company's Bankers, the Customers and Suppliers, agents and Shareholders whose continued patronage has been source of strength of the Company.

Your Directors also wish to place on record their sincere appreciation of the loyalty and devotion of Employees at all levels in the discharge of their duties.

Kolkata,  
Dated : 14th August, 2012

For and on behalf of the Board

**N. K. RAJGARHIA**  
Chairman & Managing Director

**ANNEXURE - "A" TO THE DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY**

The Company has adopted various measures to conserve energy and has taken several measures including monitoring of consumption and improved maintenance of systems. The Company's technical team is making efforts to identify further areas of energy reduction.

**POWER & FUEL CONSUMPTION**

	<u>2011-2012</u>	2010-2011
<b>1. Electricity</b>		
i) <b>Purchased</b>		
Units (KWH)	8184567	8187325
Total Amount	44811400	42070987
Rate/Unit	5.47	5.14
ii) <b>Own Generation through our Generator</b>		
Units	-	-
Units per ltr. Of Diesel Oil	-	-
Rate / Unit	-	-
<b>2. Coal/Coke</b>		
Quantity (Kgs.)	740820	789940
Total Cost	49144316	29053469
Average Rate	6.63	3.88
<b>3. Furnace Oil / Diesel Oil</b>		
Quantity (Ltr.)	900487	639081
Total Cost	19681248	19407998
Average Rate	21.85	30.36
<b>4. Furnace Oil / Diesel Oil</b>		
Quantity (Ltr.)	20000	16000
Total Cost	804400	571200
Average Rate	40.22	35.70

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION RESEARCH & DEVELOPMENT****TECHNOLOGY ABSORPTION**

The Company has already adopted the latest technology for manufacture of its existing products and continuous efforts are being carried out for updation of technology and to make the process more effective.

**RESEARCH & DEVELOPMENT**

The Company has been laying great stress for its product to meet the present market requirements. The Research & Development (R&D) of the Company is well equipped with latest equipments and is Government approved. R&D is directed to continue upgradation of the Company's products and to develop new products.

**EXPENDITURE ON RESEARCH & DEVELOPMENT**

	(Rs.)
(a) Capital	78240
(b) Recurring	1895117
(c) Total	1973357

**C. FOREIGN EXCHANGE**

The information of foreign exchange earnings and outgo is furnished in the notes to the Accounts.

Kolkata,  
Dated : 14th August, 2012.

For and on behalf of the Board  
**N. K. RAJGARHIA**  
Chairman & Managing Director

## Corporate Governance Report

### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Orient Steel & Industries Limited believes and is committed to and always strives for excellence through adoptions of good Corporate Governance which are founded upon the core values of adherence to the ethical business practice, delegations, responsibilities, accountabilities, transparency, empowerment, trusteeship and equity in all spheres of its operations and its dealing with stakeholders, employees, lenders, Government and other parties. Corporate Governance comprises a unique combination of factor like regulations, compliances, values, political and economical environments, voluntary practices and disclosures. It is considered as an important tool resulting in maximizing shareholder's value and protecting the interest of other stakeholders.

Given below are the Company's corporate governance policies and practices for the year 2011-2012. As will be seen, Orient Steel & Industries Limited corporate governance practices and disclosures go beyond complying with the statutory and regulatory requirements.

### B. BOARD OF DIRECTORS

In order to maintain independence of the board, the Company has a balanced combination of Promoter and Independent Directors on its board which is most essential to separate the two main Board functions viz. governance and management.

#### Composition

As on 31st March, 2012, the board of Orient Steel & Industries Limited consisted of 5 (Five) directors. The composition of the board of directors is as under :-

Name	Designation	Category	Shareholding in Company (No. of shares)	No. of directorship held in other companies	No. of Membership/ Chairmanship in various Board Committees in other companies
Nawal Kishore Rajgharia	Managing Director	Promoter	320150	5	Nil
Girish Kumar Khaitan	Director	Independent	Nil	8	Nil
Nilesh Rajgarhia	Whole-time Director	Promoter	222900	5	Nil
Pavan Kumar Poddar	Director	Independent	Nil	11	Nil
Suresh Ganeriwal	Director	Independent	Nil	3	Nil

#### Board Meeting and Attendance:

During the year 2011-2012, the board met 4 (four) times on the following dates: 13/05/2011, 12/08/2011, 14/11/2011 and 14/02/2012. The gap between any two meetings has been less than four months. The dates of the meeting were decided well in advance.



**Composition of the board and attendance record of directors for 2011-2012 :**

Name of Director	Meeting attended	Whether attended E.G.M.	Whether attended last A.G.M.
Nawal Kishore Rajgharia	4	N/A	Yes
Girish Kumar Khaitan	4	N/A	Yes
Nilesh Rajgarhia	4	N/A	Yes
Pavan Kumar Poddar	4	N/A	Yes
Suresh Ganeriwai	3	N/A	Yes

**Board Agenda and minutes**

The Company holds at least four Board meetings in a year, one in each quarter with the time gap between the two Board meetings do not exceed four calendar months to review the financial results and other item of the agenda. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address specific requirements of the Company. Every Director on the Board is free to suggest any item for inclusion in the agenda for the Board's consideration. All the Department in the Company communicates to the compliance officer well in advance about matters requiring approval of the Board/Committees meeting(s).

Agenda papers are generally circulated to the Board members well in advance before the meeting of the Board. The Compliance Officer while preparing the agenda and minutes of the Board meeting is required to ensure adherence to the applicable provisions of the law including the Companies Act, 1956. The draft minutes of the proceedings of each Board meeting duly initialed by the Chairman are placed in its next meeting. The Board also takes note of the minutes of the committee meeting duly approved by their respective Chairman.

**Review of Legal Compliance Report**

The Board quarterly reviews the compliance report prepared and placed by Practicing Company Secretary in respect of the laws applicable to the Company.

**C. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Company has already adopted a Code of Conduct, which was made applicable to all its directors, and all Senior Management Personnel of the Company. Board members and senior management personnel have affirmed compliance with the Company's code of conduct during the period and the same duly certified by director of the Company is annexed herein below.

**Declaration of Code Conduct**

As required by Clause 49 (l)(d) of the Listing agreement it is here by affirmed that all the Board Members and Senior Management personnel have complied with the code of conduct of the Company.

**D. AUDIT COMMITTEE**

The Audit Committee of the Board comprises of three Directors headed by Shri Nawal Kishore Rajgarhia, as Chairman of the Committee. The terms of Reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement entered into by the Company with the Calcutta Stock Exchange Limited, The Committee has met 6 times during the year and attendance of the members at these meetings was as follows :-

Name of Director	Status	Meeting Attended (Y/N)					
		09/04/2011	04/07/2011	03/09/2011	17/12/2011	03/01/2012	31/03/2012
Nawal Kishore Rajgarhia	Managing Director	Y	Y	Y	Y	Y	Y
Girish Kumar Khaitan	Independent Director	Y	Y	Y	Y	Y	Y
Pawan Kumar Poddar	Independent Director	Y	Y	Y	Y	Y	Y

#### E. SHARE TRANSFER/INVESTOR GRIEVANCE COMMITTEE

The Share Transfer / Investors' Grievance Committee comprises of 3 directors headed by Pawan Kumar Poddar, as Chairman. The committee met as and when required during the year. The monthly review of activities of share transfer department is undertaken regularly by the Compliance Officer. The other members of the Committee were Shri Nawal Kishore Rajgarhia and Shri Girish Kumar Khaitan.

##### Role and Objectives

The role and objectives of the committee are as under:

- Oversees the shareholder related issues like non-receipt of declared dividends, annual reports, share certificate etc.
- Resolve case related to investors' grievances.

The shareholder complaints received and resolved during the financial year, from April 1, 2011 to March 31, 2012, are as under:

Srl. No.	Type of Complaint	Pending as on 01.04.2011	Total Complaints Received	Complaints Redressed	Redressal under Process	Pending as on 31.03.2012
1.	Letter received from SEBI	Nil	Nil	Nil	Nil	Nil
2.	Letter received from Stock Exchange	Nil	Nil	Nil	Nil	Nil
3.	Letter received from Shareholders	Nil	Nil	Nil	Nil	Nil

#### F. GENERAL BODY MEETINGS

The General Meetings of the Company (for last 3 financial years) were held as per details given below:

Year	Date	Venue	Time
2011-2012	30/09/2011	2, Brabourne Road, 5th Floor, Kolkata-700001	11:00 A.M.
2010-2011	30/09/2011	2, Brabourne Road, 5th Floor, Kolkata-700001	11:00 A.M.
2009-2010	30/09/2010	2, Brabourne Road, 5th Floor, Kolkata-700001	11:00 A.M.

**G. DISCLOSURES**

- A statement in summary form of transactions with related party in ordinary course of business is placed annually before the Audit Committee. The pricing of all transactions with related party transactions were on arm length basis.
- There are no materially significant transactions made by the Company with its promoters, directors or the management, or relatives etc. which have potential conflict with the interest of the company at large.
- For list disclosures of related party relationship as per AS-18 "Related Party Disclosures", Note No.8 on Schedule 17 to the Annual Audited Accounts of the Company for the year ended 31st March, 2011 may be referred to.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority or any matter related to capital market for non compliance by the Company during the last three years.
- While preparation of financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed.
- The Company does not have any Whistle Blower Policy. However, any employee would not be denied access to the Audit Committee.
- Directors' certification, on financial statements has been issued pursuant to the provisions of clause 49 of Listing Agreement and is annexed to the Corporate Governance and forms part of Annual Reports.

**H. MEANS OF COMMUNICATION**

The comply with the requirement of Clause 54 of the Listing Agreement, the company has taken steps to develop a website which will contain the basic information about the company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. The contents of the said website will be updated from time to time.

The quarterly and annual financial results of the Company are sent to the stock exchanges immediately after they have been approved by the Board. The results are normally published in one of the leading English newspaper and Vernacular newspaper circulating in the state where registered office of the Company is situated.

The results will be posted on the website of the company in due course.

Annual Report in respect of each financial year is sent to the shareholders and each report contains the Annual Accounts of the Company in respect of the financial year with the Directors' and Auditors' Report. Also included in each Annual Report is the notice convening the Annual General Meeting, the financial year's corporate governance report and Cash Flow Statement together with the corresponding Reports of the Auditors.

The Management Discussion and Analysis Report in respect of the financial year is a part of the Directors' Report.

**I. MANDATORY REQUIREMENT**

The Company has complied with the mandatory requirements as stipulated in clause 49 of the listing agreements with the stock exchanges.

**J. COMPLIANCE WITH NON MANDATORY REQUIREMENTS OF CLAUSE 49**

Adoption of non-mandatory requirements is under active consideration of the Company.

**K. COMPLIANCE CERTIFICATE OF THE AUDITOR**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement. The Certificate is annexed.

**L. GOING CONCERN**

The Rtors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing financial statements.

**M. ADDITIONAL SHAREHOLDER INFORMATION**

1. Registered & Corporate Office	:	2, Brabourne Road, 5th Floor, Kolkata-700001, West Bengal
2. Date of Incorporation	:	08/06/1956
3. Registration Number / CIN	:	L27109WB1956PLC023119
4. Email Id for Investor Grievances	:	osil@cal2.vsnl.net.in
5. Date, Time and venue of A.G.M.	:	AGM will be held on 29/09/2012 at 2, Brabourne Road, 5th Floor, Kolkata-700001 at 10:15 A.M.
6. Date of Book Closure	:	24/09/2012 TO 29/09/2012
7. Tentative Financial Calendar For the year 2011-12: 1st Quarter Results & Limited Review 2nd Quarter Results & Limited Review 3rd Quarter Results & Limited Review Un-audited Annual Results (2011-2012) Audited Annual Results (2011-2012)	:	End July, 2011 End October, 2011 End January, 2011 Mid May, 2012 June-July, 2012
8. Dividend Payout	:	In view of requirement of Surplus fund for its expansion, Board did not recommend Dividend on the Equity Share of the Company.
9. Financial Year	:	April 01, 2011 to March 31, 2012
10. Listing Payments	:	Upto Date
11. Listing on Stock Exchanges	:	Calcutta Stock Exchange Limited
12. Stock code	:	N.A.
13. Scrip Code	:	28057
14. Registrar and Share Transfer Agent	:	Niche Technologies Private Limited
15. Stock Market Date	:	There has been no trading in the shares of The Company at The Calcutta Stock Exchange Limited during the year.

ORIENT STEEL & INDUSTRIES LIMITED

16. Dematerialization of Shares & Liquidity		:	The Company has entered into agreements With CDSL and NSDL and appointed Registrar and Transfer Agent as stated above. The shareholders are requested to get the equity shares of the Company dematerialized. The ISIN No. of the Company's equity shares is INE663E01019.		
17. Outstanding GDR/Warrants		:	None		
18. Distribution of Shareholding as at 31.03.2012 :					
Slab of Shareholding	No. of Shareholding	% of Shareholders	No. of Shares Held	% of Shares Held	
Upto 500	57450	1.96	0.00	0.00	
501-1000	38400	1.30	0.00	0.00	
1001-2000	19160	0.65	0.00	0.00	
2001-3000	0	0.00	0.00	0.000	
3001-4000	3640	0.12	0.00	0.00	
4001-5000	8588	0.29	0.00	0.00	
5001-10000	36200	1.23	0.00	0.00	
10001 & above	2779362	94.45	0.00	0.00	
<b>Total</b>	<b>2942800</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	
19. Shareholding pattern as on 31.03.2012:					
Shareholding pattern		Number of shares	% of Shareholding		
Indian Promoters		1037680	35.26		
Mutual Funds & UTI		0.00	0.00		
Banks, Financial Institutions, Insurance Companies (Central & State Govt. Institutions / Non-Govt. Bodies)		0.00	0.00		
Corporate Bodies		1778132	60.42		
Resident Individuals		126988	4.32		
<b>Grand Total</b>		<b>2942800</b>	<b>100%</b>		
20.	Addresses for Investor correspondence	:	2, Brabourne Road, 5th Floor, Kolkata-700001, West Bengal		
	Registered Office	:	osil@cal2.vsnl.net.in		
	E-mail address	:	Nil		
	Website	:			

**Certification by the Chairman of the Board & Chairman of the Audit Committee**

It may be pertinent to note that Clause 49 of the Listing Agreement dealing with Corporate Governance guidelines has stipulated that the Chief Executive Office, i.e. Managing Director or Manager, appointed in terms of the Companies Act, 1956 and the Chief Financial Officer, i.e., the whole-time Finance Director or any other person heading the Finance function, shall certify on aspects concerning the financial statements for the financial year ended 31st March, 2011, including the Cash Flow Statement.

The referred certificate was given jointly by Shri Nawal Kishore Rajgarhia, Chairman of the Audit Committee and Shri Pawan Kumar Poddar, Independent Director.

**Certification by the Managing Director of the Board & Chairman of the Audit Committee to the Board**

We, the undersigned, in our respective capacities as Managing Director of the Board of Directors and Chairman of the Audit Committee of the Board of Directors of Orient Steel & Industries Limited ("the Company") to the best of our knowledge and belief certify that :-

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2012 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially un-true statements or omit any material fact or contain statement that might be misleading;
  - (ii) These statements give a true and fair view of the state of affairs of the Company and are in compliance with the existing Accounting Standards, applicable laws and regulation ;
- (b) There was no transaction entered into by the Company which was fraudulent, illegal or violative to the Code of the Conduct of the Company ;

We, confirm that establishment and maintenance of the internal control system for financial reporting have been evaluated and discussed with the Statutory Auditors. In case, if any corrective action needs to be taken then the Audit Committee and the Board both shall be appraised.

We, the directors confirm that during the financial year there was no such situation/event of the following notice :-

- (i) Significant changes in internal control over financial reporting;
- (ii) Significant changes in accounting policies ;
- (iii) Instance of significant fraud, which we have become aware of, and which involve management or other employees who have significant role in the internal control system over financial reporting.

Date : 14th August, 2012  
Place : Kolkata

**Girish Kumar Khaitan**  
*Independent Director*

**Nawal Kishore Rajgarhia**  
*Chairman-Audit Committee*

**SECRETARIAL COMPLIANCE CERTIFICATE**  
**(In Terms of Section 383A(1) of the Companies Act, 1956)**

To,  
The Members,  
M/S. ORIENT STEEL & INDUSTRIES LIMITED  
2, Brabourne Road, 5th Floor,  
Kolkata-700001

Registration No. : 21-023119

Authorised Capital : Rs. 3,37,00,000/-

We have examined the registers, records, books and papers of M/s. Orient Steel & Industries Limited, (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Register of Companies (ROC) as prescribed under the Act and the rules made there under.
3. The Company being a public limited company, has minimum prescribed share capital and its minimum number of members during the said financial year was not less than seven excluding its present and past employees.
4. The Board of Directors duly met 4 (four) times on 13/05/2011, 12/08/2011, 14/11/2011 & 14/02/2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of Members was closed during the financial year ended on 31st March, 2012.
6. The Annual General meeting for the financial year ended on 31/03/2011 was held on 30/09/2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An extra-ordinary general meeting was held on 30th day of June, 2011 to comply with the provisions of Section 314 of the Companies Act, 1956.
8. The Company has not advanced any loan to its directors and / or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has taken necessary approval of members to comply with the provisions of Section 314 of the Companies Act. 1956, approval of Central Government was not required.

12. No duplicate share certificate was issued during the year under report.
13. The Company has :
  - (a) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purposes in accordance with the provisions of the act.
  - (b) Not deposited any amount in a separate bank account as no dividend was declared during the financial year ended on 31st March, 2012.
  - (c) Not posted warrants to any member of the Company as no dividend was declared during the financial year ended on 31st March, 2012.
  - (d) Duly complied with the requirements of section 217 of the Act.
  - (e) Not required to transfer any amount to the Investor Education and Protection fund,
14. The Board of Directors of the Company is duly constituted. There was change in directors during the year and the Company has duly complied with the provisions of the Act. There was no appointment of alternate director during the financial year ended on 31st March, 2012.
15. There was reappointment of Managing Director and Whole Time Director during the year and the company has complied with the provisions of the Act. The Company has not appointed Manager during the financial year.
16. No sole-selling agent was appointed during the year.
17. The Company has obtained necessary approval, whenever required, of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities, as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued any shares during the year.
20. The Company has not bought back any share during the year.
21. The Company has not redeemed any preference share/debentures.
22. The Company has not issued any right share, bonus share etc. during the year.
23. The Company has not accepted any deposit under Section 58A of the Act,
24. The Company has not made any borrowings, which attracts the provisions of Section 293(l)(d) of the Act during the financial year ended 31st March, 2012.
25. The company has not made loans and advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum in regard to share capital of the company during the Financial Year under the scrutiny.
30. The Company has not altered its Article of Association during the financial Year ended on 31/03/2012.
31. We are informed that the Company has not received any show cause notice for any alleged offence under the Act.



32. We are informed that the company has not received any security from its employees during the year under certification.
33. The Company has not constituted Provident Fund for its employees and as such Section 418 of the Act is not applicable to the Company.

Place : Kolkata  
Date: 30/04/2012

**DINESH AGARWAL**  
Company Secretary  
C.P. NO-5881

**Annexure 'A'**

**Registers as maintained by the Company**

1. Register of Members u/s 150
2. Register of Contacts in which directors are interested u/s 301
3. Register of Directors, Manager, etc. u/s 303
4. Register of Directors' shareholding u/s 307
5. Minutes of Board Meeting
6. Minutes of General Meeting
7. Books of Accounts u/s 209
8. Register of transfer u/s 108.

**Annexure 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2012 :

Sl. No.	Form No. / Return	Relevant Section	Description	Filed on	Whether filed within prescribed time Yes/No
01	Form No.-32	303(2)	Doc. dt. - 14/02/2012	20/02/2012	YES
02	Form No.-21	391(2) & 394	Doc. dated - 05/05/2011	11/05/2011	YES
03	Form No.-8	135	Doc. dated - 14/03/2012	22/03/2012	YES
04	Form No.-23	192	Doc. dated - 31/03/2011	23/04/2011	YES
05	Form No.-23	192	Doc. dated - 30/06/2011	29/08/2011	NO
06	Form No.-25C	269(2)	Doc. dated - 01/04/2011	23/04/2011	YES
07	Form No.-25C	269(2)	Doc. dated - 01/04/2011	26/04/2011	YES
08	Return of allotment in Form No.-2	75(1)	For allotment of shares on 31/03/2011	11/04/2011	YES
09	Form No.-20B (Annual Return)	159	For AGM held on 30/09/2011	29/11/2011	YES
10	Form No.-66 (Compliance Certificate)	383(1)	For the year ended 31/03/2011	29/10/2011	YES
11	Form No.-23AC-XBRL & 23ACA-XBRL (Balance Sheet)	220	For the year ended 31/03/2011	24/12/2011	YES

## AUDITORS' REPORT

TO THE MEMBERS OF  
ORIENT STEEL & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **ORIENT STEEL & INDUSTRIES LIMITED** as at 31st March, 2012 and Statement of Profit & Loss of the Company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure hereto a Statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Para 3 above, we report that :
  - i) We have obtained all the information and explanations which to be best of our knowledge and belief were necessary for the purpose of our audit *except confirmations of balances with Trade Receivables, Trade Payables, Loans & Advances and amount of leave encashment liability as referred in Para (iv) below.*
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting standards referred to in Sub-Section 3C of Section 211 of the Companies Act, 1956, *except AS-15 "Accounting for Retirement Benefits", in respect of leave encashment liability of employees which is provided on cash basis.*
  - v) On the basis of the written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

ORIENT STEEL & INDUSTRIES LIMITED

- vi) In our opinion and to the best of our information and according to explanations given to us, the said financial statements **subject to Note No. 25 (6) regarding non-provision of Rs. 27.55 lacs against doubtful debts and doubtful claims of Rs. 7.21 lacs and Note No. 6, 14 & 16, regarding balance of Trade Payable, Trade Receivable and Loans & Advances respectively which are subject to confirmation and accounting of employees leave encashment liability on cash basis of which amount is unascertained, decreasing amount of profit by Rs. 34.76 lacs (to the extent ascertained)** and having consequential impact on the relevant items of the balance sheet and read together with other notes, give the information required by the Companies Act, 1956 in the manner so required and and give a true and fair view in conformity with the accounting principles generally accepted in India :-
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 ;
  - b) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date;
  - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

24, Park Street  
Kolkata  
Dated : August 14, 2012

For CHATURVEDI & COMPANY  
*Chartered Accountants*  
Firm Regn. No. 302137E

S. C. CHATURVEDI  
*Partner*  
Membership No. 12705

**ANNEXURE TO AUDITORS' REPORT****Annexure referred to in our report of even date**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us the Company has a programme of physical verification of its fixed assets once in three years. Discrepancies noticed on such verification as compared to book records, were not material and are properly adjusted in the books of accounts.
- (c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
2. (a) As explained to us the inventory, except material lying with third parties and in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and as per information and explanation given to us, the procedure for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business and discrepancies noticed on such verification are not material and are properly dealt with in the accounts.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory.
3. (a) Based on the audit procedures and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and such clause 3 (b) to 3 (d) are not applicable.
- (b) The Company has taken loan from two Directors and five other Companies listed in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,45,59,716/-.
  - (i) Rate of interest and other terms & conditions of loans taken by the Company are prima facie not prejudicial to the interest of the Company.
  - (ii) As informed to us no stipulation has been made regarding payment of principal amount and interest and the same are payable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services.
5. (a) According to the information and explanations given to us by management, there are no transactions which are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and Rupees five lakhs or more respect of any party during the year.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. We are informed that 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.

ORIENT STEEL & INDUSTRIES LIMITED

7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. We have broadly reviewed the Cost Accounting records, maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such books and records.
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company, during the year, has been generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess were in arrears, as at March 31st, 2012 for a period of more than six months from the date they became payable.
- (c) According to information and explanations given to us, the dues relation to Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of disputes with the relevant authorities, have been reflected in the table below :-

Name of Statute	Nature of Dues	Amount (in Rs.)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	39,28,505.00	CEGAT
-do-	-do-	36,11,832.00	Cal-II Commissionerate, Central Excise, Strand Road
-do-	-do-	8,36,456.00	Commissionerate Appeal-II, Central Excise
-do-	-do-	32,519.00	-do-
-do-	-do-	45,018.00	-do-
WBST Act, 1944	Sales Tax	86,03,157.14	Dy. Comm. Corporate Divn. Beliaghata
CST Act, 1956	-do-	7,70,877.00	Dy. Comm. Corporate Divn., Beliaghata
Other Statute	Purchase Tax	58,76,418.00	High Court, Punjab & Haryana

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
11. 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 bank. The Company has not issued any debenture.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
13. In our opinion and according to the information and explanations given to us, the Company is not a Chit fund/Nidhi/Mutual Benefit fund/Society and hence the provisions of para 4 (xiii) of the Order are not applicable to the Company.
14. According to the information and explanations given to us, Company is not dealing or trading in share, securities, debentures and other investments and hence the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.

ORIENT STEEL & INDUSTRIES LIMITED

15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lenders.
17. According to the information and explanations given to us and on an overall examinations of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Accordingly, Para 4 (xix) of the order is not applicable to the Company.
20. The Company has not raised any fund by way of public issues during the year. Accordingly, Para 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of the books & records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud (i.e. intentional material misstatement resulting from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the year.

For CHATURVEDI & COMPANY  
*Chartered Accountants*  
Firm Regn. No. 302137E

S. C. CHATURVEDI  
Membership No. 12705  
*Partner*

24, Park Street  
Kolkata  
Dated : August 14, 2012

ORIENT STEEL & INDUSTRIES LIMITED

**BALANCE SHEET AS AT MARCH 31, 2012**

Particulars	Note Reference	Consolidated	
		As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholder's Fund</b>			
a) Head Office Account		-	-
b) Share Capital	1	2,94,28,000	2,94,28,000
c) Reserve & Surplus	2	24,43,55,012	22,89,28,268
<b>Non-Current Liabilities</b>			
a) Long Term Loan	3	17,79,23,722	16,89,57,117
b) Other Long Term Liabilities		-	-
c) Long Term Provision	4	1,49,83,085	2,05,66,708
<b>Current Liabilities</b>			
a) Short Term Borrowings	5	10,76,03,814	10,57,19,323
b) Trade Payable	6	24,84,34,618	15,79,23,429
c) Other Current Liabilities	7	5,17,70,184	3,74,96,248
d) Short-term provisions	8	1,11,06,139	1,13,21,626
		<u>88,56,04,575</u>	<u>76,03,40,719</u>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
a) Fixed Assets	9	-	-
i) Tangible Assets		26,37,79,624	16,68,19,570
ii) Capital Work in Progress		1,58,58,319	6,32,48,697
b) Non-Current Investments	10	500	500
c) Deferred Tax Assets		1,82,99,124	2,07,45,343
Loan Term Loan and Advances	11	29,42,665	29,42,665
Other Non Current Assets	12	88,68,618	1,61,08,794
<b>Current Assets</b>			
a) Inventories	13	33,32,04,213	31,19,93,798
b) Trade Receivable	14	11,65,13,257	14,40,96,692
c) Cash & Cash Equivalents	15	7,91,29,328	21,78,002
d) Short-term Loans and Advances	16	4,14,94,822	2,87,27,955
e) Other Current Assets	17	55,14,105	34,78,703
		<u>88,56,04,575</u>	<u>76,03,40,719</u>

**Significant Accounting Policies and Notes on Financial Statements**

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As per our Report of even date attached  
**CHATURVEDI & COMPANY**  
*Chartered Accountants*  
**S. C. CHATURVEDI**  
*Partner*  
 Membership No. 12705  
 24 Park Street, Kolkata  
 Place : Kolkata  
 Date : 14th August, 2012

For and on behalf of the Board

**N. K. RAJGARHIA**  
*Chairman & Managing Director*

**NILESH RAJGARHIA**  
*Executive Director*

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note Reference	Year ended March 31, 2012 (Rupees)	Year ended March 31, 2011 (Rupees)
<b>INCOME</b>			
Revenue from operations	18	1,50,85,93,938	1203248431
Other Income	19	69,80,295	39,01,804
<b>Total Revenue</b>		<b>1,51,55,74,233</b>	<b>1,20,71,50,235</b>
<b>EXPENDITURE (EXPENSES)</b>			
Cost of Material Consumed	20	1,12,78,50,522	89,03,18,198
Changes in inventory of work in progress/Finished Goods	21	4,60,04,519	69,70,601
Employee benefits expense	22	2,98,74,005	3,26,71,562
Finance costs	23	3,64,93,586	3,12,79,626
Depreciation and amortization expenses	9	1,11,61,302	1,27,78,711
Other Expenses	24	23,70,50,064	20,56,12,150
		<b>1,48,84,33,999</b>	<b>1,17,96,30,848</b>
<b>Profit before Exceptional and Extra-ordinary Items and Tax</b>		<b>2,71,40,234</b>	<b>2,75,19,387</b>
Exceptional Items (Prior Period Adjustment)		(44,98,259)	-
<b>Profit before Extra-ordinary items and Taxes</b>		<b>2,26,41,975</b>	<b>2,75,19,387</b>
Extra-ordinary Items		-	-
<b>Profit Before Tax</b>		<b>2,26,41,975</b>	<b>2,75,19,387</b>
<b>Tax Expenses</b>			
<b>I. Current Tax</b>		<b>(57,13,000)</b>	<b>(58,10,000)</b>
<b>II. Deferred Tax</b>		<b>(24,46,219)</b>	<b>(38,35,270)</b>
<b>III. Wealth Tax</b>		<b>(7,200)</b>	<b>(7,200)</b>
<b>Profit / (Loss) after Tax</b>		<b>1,44,75,556</b>	<b>1,78,66,917</b>
<b>Income Tax relating to earlier years</b>		<b>9,51,188</b>	<b>(3,34,990)</b>
<b>Profit for the year</b>		<b>1,54,26,744</b>	<b>1,75,31,927</b>
<b>Basic EPS</b>			
<b>Dilluted EPS</b>			

## Significant Accounting Policies and Notes on Financial Statements

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As per our Report of even date attached  
**CHATURVEDI & COMPANY**  
*Chartered Accountants*  
**S. C. CHATURVEDI**  
*Partner*  
 Membership No. 12705  
 24 Park Street, Kolkata  
 Place : Kolkata  
 Date : 14th August, 2012

For and on behalf of the Board

**N. K. RAJGARHIA**  
*Chairman & Managing Director*

**NILESH RAJGARHIA**  
*Executive Director*



## NOTES TO FINANCIAL STATEMENTS

		As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>NOTE - 1 : SHARE CAPITAL</b>			
<b>Authorised :</b>			
32,70,000	Equity Shares of Rs. 10/- each	3,27,00,000	3,27,00,000
10,000	Preference Share of Rs. 100/- each	10,00,000	10,00,000
		<u>3,37,00,000</u>	<u>3,37,00,000</u>
<b>Issued &amp; Subscribed and Paid-up :</b>			
26,53,200 (20,66,400)	Equity Shares of Rs. 10/- each fully paid-up in cash	2,65,32,000	2,65,32,000
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
Equity Shares (Pending for Allotment) 3,99,600 Equity Shares of Rs. 10/- each in terms of the Scheme of Amalgamation		-	-
		<u>2,94,28,000</u>	<u>2,94,28,000</u>

## a. Reconditionation of Shares outstanding at the end of the year

	As at March 31, 2012		As at March 31, 2011	
	No.	Amount	No.	Amount
At the beginning of the year	29,42,800	2,94,28,000	29,42,800	2,94,28,000
Add : Issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>29,42,800</u>	<u>29,42,80,000</u>	<u>29,42,800</u>	<u>2,94,28,000</u>

## b. Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a per value of Rs. 10/- per share. each holder of equity shares is entitled to one vote In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.

## c. 53.16% of the equity shares of the company are held by the promoter group of the company.

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

	As at March 31, 2012		As at March 31, 2011	
	No.	% holding	No.	% holding
Nawal Investment Pvt. Ltd.	470740	16	470740	16
Nawal Kishore Rajgarhia	320150	11	320150	11
Maroon Projects Pvt. Ltd.	484,400	16	484,400	16

**NOTE – 2 : RESERVE & SURPLUS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>a) General Reserve</b>		
<b>b) Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	228928268	–
Security Premium Account	–	103334161
Profit for the year	15426744	124309107
Capital Reserve	–	1285000
<b>Balance at the end of the year</b>	<u>244355012</u>	<u>228928268</u>

**NOTE – 3 : LONG TERM LOAN**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Secured :</b>		
Vehicle Loan from Banks (Refer to Note (a) below)	1799592	2445404
<b>Unsecured :</b>		
From Directors	5985541	24195626
From Others	149385878	125304559
Interest Accrued and due on the above	20752711	17011528
<b>TOTAL</b>	<u>177923722</u>	<u>168957117</u>

Note (a) Vehicle Loan is net of interest on undue instalments of Rs. 1,87,252 (Previous Year Rs. 1,49,201) Secured against hypothecation of the vehicles purchased from the proceeds of the loan.

**NOTE – 4 : LONG-TERM PROVISION**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Provision for Employee Benefits</b>		
For Gratuity	91,73,085	93,91,019
For Taxation	58,10,000	1,11,75,689
<b>TOTAL</b>	<u>1,49,83,085</u>	<u>2,05,66,708</u>

**NOTE – 5 : SHORT-TERM BORROWINGS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Secured Loan</b>		
Cash Credit Loan from Banks *	10,47,65,027.	10,31,54,937.
Term Loan **	–	33,048
<b>Unsecured Loans</b>		
From Body Corporates	<u>28,38,787</u>	<u>25,31,337</u>
<b>TOTAL</b>	<b><u>10,76,03,814</u></b>	<b><u>10,57,19,323</u></b>

\* Secured against 25% on Stocks & 50% on Book Debts (up to 90 days) for which drawing power should be allowed.

\*\* Secured against hypothecation of the vehicles purchased from the proceeds of the loan.

**NOTE – 6 : TRADE PAYABLE**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Micro Small and Medium Enterprises	–	–
Acceptance	13,19,34,899	–
Sundry Creditors	11,64,99,718.	15,79,23,428.
<b>TOTAL</b>	<b><u>24,84,34,618</u></b>	<b><u>15,79,23,429</u></b>

**NOTE – 7 : OTHER CURRENT LIABILITIES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Current maturities of Long Term Debt (Refer to Note (b) below)	2,90,746	2,24,842
Interest accrued and due on borrowings	3,06,589	3,07,450
Interest accrued but not due on borrowings	5,48,215	28,642
Advances From Customers	1,64,70,017	95,06,117
Other Payable	1,24,63,162	1,20,95,118
Employee Benefits Payable	23,22,164	20,17,017
Statutory dues including Provident Fund and Tax deducted at Source	1,80,72,503	1,19,06,784
Miscellaneous Expenses Payable	12,96,788	14,10,277
<b>TOTAL</b>	<b><u>5,17,70,184</u></b>	<b><u>3,74,96,248</u></b>

Note (b) Current maturities of Long Term Debt is net of interest on undue instalments of Rs. 1,26,566 (Previous year Rs. 88,254)

**NOTE – 8 : SHORT-TERM PROVISIONS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
For	–	–
Excise	8,07,702	5,95,915
Provision for Tax	71,61,295	75,88,569
Wealth Tax	31,37,142	31,37,142
<b>TOTAL</b>	<b><u>1,11,06,139</u></b>	<b><u>1,13,21,626</u></b>

ORIENT STEEL & INDUSTRIES LIMITED

NOTE - 9 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2011 Rs.	Addition during the year Rs.	Sales & Adjust- ment Rs.	Total as at 31.03.2012 Rs.	Upto 31.03.2011 Rs.	For the year Rs.	Sales & Adjust- ment Rs.	Upto 31.03.2012 Rs.	Net Value as at 31.03.2011 Rs.	Net Value as at 31.03.2012 Rs.
Land & Development	81,82,903	12,60,000	-	94,42,903	-	-	-	-	81,82,903	94,42,903
Leasehold Land	3,24,39,680	-	-	3,24,39,680	3,27,674	3,27,674	-	6,55,348	3,17,84,332	3,21,12,006
Office Table & Space Building	6,01,363	-	-	6,01,363	-	-	-	-	6,01,363	6,01,363
	11,91,893	-	-	11,91,893	7,89,016	15,657	-	7,97,967	3,93,926	4,02,877
Factory Shed & Building	3,65,39,570	1,93,81,130	-	5,59,20,700	1,92,58,559	9,01,866	-	2,00,26,096	3,58,94,604	1,72,81,011
Plant & Machinery	24,82,62,289	9,35,16,264	4,40,81,779	29,76,96,774	17,69,82,854	66,90,515	3,87,89,294	14,48,29,579	15,07,78,010	7,12,79,435
Air Conditioner	9,36,812	49,836	-	9,86,648	6,96,789	22,146	-	7,18,933	2,67,715	2,40,023
Furniture & Office Equipment	57,87,837	2,88,063	-	60,75,900	35,79,955	3,81,580	-	39,55,991	21,19,909	22,07,882
Vehicles	1,02,99,486	6,38,676	-	1,09,38,162	41,18,177	11,67,439	-	44,03,754	56,98,788	61,81,309
Computer	12,20,172	1,21,735	-	13,41,907	10,69,728	54,576	-	11,24,304	2,17,603	1,50,444
Generator Set	3,08,48,558	-	-	3,08,48,558	26,68,482	15,99,752	-	42,68,233	2,65,80,325	2,81,80,076
Mobile	4,736	-	-	4,736	4,494	97	-	4,590	146	242
<b>TOTAL</b>	<b>37,63,15,299</b>	<b>11,52,55,704</b>	<b>4,40,81,779</b>	<b>44,74,89,224</b>	<b>20,94,95,728</b>	<b>1,11,61,302</b>	<b>3,87,89,294</b>	<b>18,07,84,795</b>	<b>26,37,79,624</b>	<b>16,68,19,571</b>
Capital Work in Progress										
									<u>1,58,58,319</u>	<u>6,32,48,698</u>
									<u>27,96,37,943</u>	<u>23,00,68,269</u>

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**NOTE – 10 : NON-CURRENT INVESTMENTS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
In Government Securities (Unquoted) Post Office National Savings Certificate	500	500
<b>TOTAL</b>	<b>500</b>	<b>500</b>

**NOTE – 11 : LOAN TERM LOAN AND ADVANCES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Security Deposits	29,42,665	29,42,665
<b>TOTAL</b>	<b>29,42,665</b>	<b>29,42,665</b>

**NOTE – 12 : OTHER NON-CURRENT ASSETS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Long term deposits with banks with maturity period more than twelve months (Refer note (c) below)	50,000	50,000
Deposit with Government Department	31,02,450	30,53,174
Advance Tax & TDS	50,00,000	82,34,360
ITDS Refundable	7,16,168	48,21,260
<b>TOTAL</b>	<b>88,68,618</b>	<b>1,61,58,794</b>

**NOTE – 13 : INVENTORIES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Finished Goods	5,15,47,653	2,26,66,127
Work-in-Process	4,12,00,249	11,65,16,904
Raw Material	18,35,90,660	12,16,87,409
Stores & Spares	5,58,07,284	5,04,95,600
Scrap	6,27,848	2,86,691
By Product	4,30,519	3,41,067
<b>TOTAL</b>	<b>33,32,04,213</b>	<b>31,19,93,798</b>

**NOTE – 14 : TRADE RECEIVABLES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
(Unsecured Considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,91,05,814	1,97,43,701
Unsecured, considered Doubtful	27,54,945	28,54,945
Less : Provision for doubtful debts	–	–
	<b>(A) 5,18,60,759</b>	<b>2,25,98,646</b>
Other Receivables	–	–
Unsecured, considered good	6,46,52,498	12,14,98,046
	<b>(B) 6,46,52,498</b>	<b>12,14,98,046</b>
<b>TOTAL (A+B)</b>	<b><u>11,65,13,257</u></b>	<b><u>14,40,96,652</u></b>

**NOTE – 15 : CASH AND BANK BALANCES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Cash in hand	16,03,660	18,07,674
Bank Balance	–	–
In Current Account	6,92,76,975	(48,50,575)
Demand deposit (less than three months maturity)	69,19,750	–
Fixed Deposits (Receipts under Item with bank)	12,16,984	11,78,820
Other Bank Balances		
Long term deposits with maturity more than three months but less than twelve months	98,710	39,78,833
With Post Office Savings Bank Account		
(Pass Book Pledged with collector of Central Excise)	13,250	13,250
<b>TOTAL</b>	<b><u>7,91,29,328</u></b>	<b><u>21,28,002</u></b>

**NOTE – 16 : SHORT-TERM LOANS AND ADVANCES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
(Unsecured, Considered Good, unless other wise stated)		
Advances recoverable in cash or in kind or for value to be received	2,16,13,242	1,04,00,191
Claim Receivable	8,74,626	8,74,626
Prepaid Expenses	17,18,722	13,25,521
Haryana Urban Development authority	3,10,080	3,10,081
Balances with Government authorities	1,69,78,152	1,58,17,536
<b>TOTAL</b>	<b><u>4,14,94,822</u></b>	<b><u>2,87,27,955</u></b>

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**NOTE – 17 : OTHER CURRENT ASSETS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Accrued Interest on fixed deposits	1,90,750	56,016
Other Current Assets Interest Receivable	1,79,233	1,37,200
Balance with Custom & Excise Department	5,62,888	5,76,825
Advance Tax & TDS	42,00,000	20,00,000
ITDS Refundable	3,81,234	7,08,662
<b>TOTAL</b>	<b><u>55,14,105</u></b>	<b><u>34,78,703</u></b>

**NOTE – 18 : REVENUE FROM OPERATIONS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Sales of Products :</b>		
Finished Goods (including Rs. 14,00,000 for captive consumption (previous year Rs. 8,89,500))	1,41,48,23,595	1,12,86,10,680
Scrap and By Products	7,85,93,166	4,65,64,796
	<b>1,49,34,16,761</b>	<b>1,17,51,75,477</b>
Sales of Services		
Job work charges	1,51,77,178	2,80,72,955
<b>TOTAL</b>	<b><u>1,50,85,93,938</u></b>	<b><u>1,20,32,48,431</u></b>

**NOTE – 19 : OTHER INCOME**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Interest received from Bank (Gross TDS Rs. 76,717/-, Previous year Rs. 7,580/-)	8,55,820	8,00,861
Miscellaneous receipts (Net)	55,49,874	30,79,603
Discount Received	12,177	-
Profit on sale of fixed assets	5,62,424	-
Testing Charges Received	-	21,340
<b>TOTAL</b>	<b><u>69,80,295</u></b>	<b><u>39,01,804</u></b>

**NOTE – 20 : COST OF MATERIALS CONSUMED**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Opening Inventory	12,16,87,409	22,92,51,685
Add : Purchases of Raw Materials	1,31,87,49,089	80,33,34,980
Less : Raw Materials Sales	(12,89,95,316)	(2,05,81,058)
Less : Inventory at the end of year	(18,35,90,660)	(12,16,87,409)
<b>TOTAL</b>	<b><u>1,12,78,50,522</u></b>	<b><u>89,03,18,198</u></b>

**NOTE – 21 : CHANGES IN INVENTORY OF FINISHED GOODS**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Stock at the end of year</b>		
Finished Goods	5,15,47,653	2,26,66,127
Work-in-process	4,12,00,249	11,65,16,904
By Product	4,30,519	3,41,067
Scrap	6,27,848	2,86,691
<b>Less :</b>		
<b>Stock at the opening of the year</b>		
Finished Goods	2,26,66,127	1,58,08,639
Work-in-process	11,65,16,904	13,02,95,832
By Product	3,41,067	3,92,858
Scrap	2,86,691	2,84,061
<b>TOTAL Increase/(Decrease) in Stocks</b>	<b><u>(4,60,04,519)</u></b>	<b><u>(69,70,601)</u></b>

**NOTE – 22 : EMPLOYEES BENEFITS EXPENSES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Salaries & Wages, Bonus	2,38,60,041	2,59,65,725
Contribution to provident fund and other funds	31,97,316	32,24,702
Staff Welfare Expenses	20,78,548	16,18,877
Gratuity	7,38,100	18,62,258
<b>TOTAL</b>	<b><u>2,98,74,005</u></b>	<b><u>3,26,71,562</u></b>



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**NOTE – 23 : FINANCE COST**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
Interest Expenses	37,08,337	27,27,182
Other Borrowings Cost	1,06,08,398	2,35,39,860
Bank Interest	14,24,140	50,12,584
Inter Corporate Loan Interest	2,07,52,711	–
<b>TOTAL</b>	<b><u>3,64,93,586</u></b>	<b><u>3,12,79,626</u></b>

**NOTE – 24 : OTHER EXPENSES**

	As At March 31, 2012 (Rupees)	As At March 31, 2011 (Rupees)
<b>Manufacturing Expenses :</b>		
Consumption of Stores	6,03,04,450	6,50,97,095
Power & Fuel	11,44,41,365	9,11,03,656
Repairs & Maintenance :		
Building	90,023	4,49,034
Plant & Machinery	36,49,794	43,48,894
Excise Duty	3,12,42,007	2,01,04,886
Processing charges paid	10,10,405	8,14,511
<b>Selling and Distribution Expenses</b>		
Freight, transport and handling charges	30,31,984	32,27,893
Advertisement	1,00,960	59,100
Rebate & Discount	9,960	31,282
Brokerage & Commission	12,15,293	12,34,420
Sales Tax Expenses	9,408	2,80,078
R&D Expenses	18,95,117	12,70,666
Bad Debt Written Off	34,48,628	3,02,703
Administration Expenses		
Repairs & Maintenance	10,13,208	5,88,456
Others	14,47,852	23,83,570
Rates & Taxes	7,35,058	6,94,256
Insurance	93,839	1,63,613
Donation	–	51,000
Auditor's Remuneration	1,51,800	1,51,800
Audit Fee	64,000	66,060
Tax Audit Fee	2,42,365	2,54,912
Printing & Stationery	1,33,230	5,15,151
Vehicle Maintenance	11,38,873	14,75,768
Travelling & Conveyance Expenses	23,70,924	20,12,035
Postage, Telegram & Telephone	4,79,181	10,14,788
Legal & Professional Expenses	21,74,604	15,78,782
Service Tax Paid	15,37,515	14,45,717
Liling fees	3,762	3,830
Security Service Charges	10,69,739	10,63,378
Mislleneous Expenses	8,62,475	12,79,338
Fees & Subscriptions	5,28,479	8,34,410
Directors Fees	27,500	47,500
Directors Remuneration	25,08,000	16,63,000
Loss on sale of Plant & Machinery	18,267	538
<b>TOTAL</b>	<b><u>23,70,50,064</u></b>	<b><u>20,56,12,150</u></b>

**NOTE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT****NOTE – 25 : NOTES TO THE ACCOUNTS****1. ACCOUNTING POLICIES**

- i) **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 :
- ii) **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.
- iii) **Excise Duty :-**  
(a) Excise Duty is charged to Accounts net of Modvat at W. B. Units 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.
- iv) **Investments :-**  
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.
- v) **Inventories :-**  
Inventories have been valued at Lower of Cost or net realisable value. Cost has been arrived at in case of  
(a) Raw Materials on first-in-first-out basis.  
(b) Stores & Spares on average basis.  
(c) Work-in-Process and Finished Goods on full absorption cost.  
(d) Waste Products and Scraps at estimated realisable value.
- vi) **Retirement Benefits :-**  
Liabilities in respect of gratuity to employees is provided on the basis of actuarial valuation. Leave Encashment is accounted on cash basis.
- vii) **Contingent Liabilities :-**  
Contingent liabilities are generally not provided for in the Accounts and are shown separately in "Notes to the Accounts".
- viii) **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.
- ix) **Foreign Currency Transaction :-**  
These are recorded at the rates prevailing on the date of transaction. There were no foreign currency assets and liabilities.

x) **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.

xi) **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.

**2. Contingent liabilities not provided for :-**

- (i) Counter guarantees given to Bankers against guarantees given by them on behalf of the Company and remaining outstanding as on 31.03.2012 amounts to Rs. 2,57,81,948 (Rs. 1,78,68,932) and Letter of Credit remaining outstanding as on 31.03.12 amounts to Rs. 3,53,27,614 (Rs. 38,91,833).
- (ii) Excise Demand contested with appropriate authority Rs. 84,75,714 (Rs. 1,78,38,001).
- (iii) Demand of Sales Tax/Purchase Tax Rs. 1,21,20,510 (Rs. 1,38,68,309), against which a provision has been made of Rs. 31,29,942 (Rs. 31,29,942).

No provision has been made for demand covered under item no. 2(iii), 2(iv), 2(v), as company has been legally advised that there appears to be reasonable certainty for cancellation of the demands. In respect of Purchase Tax of Rs. 58,76,418 Stay Order has been granted by Hon'ble Punjab & Haryana High Court.

- 3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil.
- 4. 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.
- 5. The provisions towards Gratuity the current year has been made based on the actuarial valuation as at the end of the year.
- 6. (i) No provision has been made against Sundry Debtors of Rs. 27,54,945 (Rs. 28,54,945).
- (ii) Advances and claim receivable of Rs. 7,21,145 (Rs. 7,21,145) considered doubtful of recovery. The management is taking necessary actions for recovery of amount and therefore, no provision has been made against such doubtful advances and claims recoverable, as the management is pursuant the matter with the parties for recovering the amount and in the opinion of the management, the amount is receivable.
- 7. Balance of Sundry Debtors, Sundry Creditors, Advances and Deposits as appearing in the Balance Sheet are subject to confirmations.

8. **Managerial Remuneration Paid to Directors :-**

	Year ended 31st March, 2012 (Rupees)	Year ended 31st March, 2011 (Rupees)
Salary	25,08,000	16,63,000
Contribution to Provident Fund	2,66,400	1,73,400
Perquisite (Actual and/or as evaluated under Income Tax Act)	21,600	21,600
	<u>27,96,000</u>	<u>18,58,000</u>

- 9. Rebate & Short recoveries include write off, short recoveries, transit losses, liquidated damages and rebate allowed on sale of earlier years.
- 10. Profit/Loss on Sale of Raw Materials, Stores and Spares remains adjusted in their respective consumption accounts.

11. **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.

12. **Taxes on Income :**

Deferred Tax Assets/Liability (Net)	Defferex Tax Assets/(Liabilities) As on 31.3.2012	Current Year (Charge)/Credit	Deferred Tax Assets/(Liabilities) As on 31.3.2011
Difference in Depreciation between Accounting and Tax	79,08,454	8,72,471	87,80,925
Carry forward of Unabsorbed Business Loss	16,48,435	—	16,48,435
Carry forward of Unabsorbed Depreciation	87,12,890	—	87,12,890
Provision for Gratuity	29,346	13,73,747	16,03,093
	<u>1,82,99,125</u>	<u>24,46,218</u>	<u>2,07,45,343</u>

13. **Related party Disclosure :**A. **List of Related Parties :**i) **Key Management Person**

Shri N. K. Rajgarhia  
Shri Nilesh Rajgarhia

Chairman & Managing Director  
Executive Director

ii) **Other Related Parties :**

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

- N. K. Rajgarhia & Son
- Vyaparik Pratisthan Ltd.
- Maroon Projects (P) Ltd.
- Sujata Investments Ltd.
- Nawal Investment (P) Ltd.

B. **Details of transactions/outstanding balances :**

	As on 31.03.2012 Amount (in Rs.)	As on 31.03.2011 Amount (in Rs.)
Remuneration Paid	25,08,000	16,63,000
Directors Fees	27,500	47,500
Payment for Services	3,00,000	3,00,000
Loan Taken	63,25,000	—
Interest Paid	21,94,732	11,21,747

14. **Computation of Basic and Diluted Earnings per Share :**

Profit after Tax	1,54,26,744	1,75,31,927
Weighted average number of equity share outstanding during the year	29,42,800	29,42,800
Face Value Rs. 10/-		
Basic and Diluted Earnings per share (including Shares pending for allotment)	Rs. 5.24	Rs. 5.95

15. **Names of Small Scale unit to whom amounts in excess of Rs. 1 lac due for more than 30 days as on the Balance Sheet date : NIL**

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16. 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 31.3.2011		Closing Stock 31.3.2012	
				2011-12 Qty.	2010-11 Qty.	Opening Stock 1.4.2011 Qty.	Value Rs.	Qty.	Value Rs.
Steel Casting	MT	24,000	24,000	3250.900	20,75,695	27,400	57,47,720.00	82,000	67,11,702.00
Steel Shots & Grits	MT	4,200	4,200	NIL	NIL	15,090	6,30,805.00	15,090	6,30,805.00
C. I. Shots & Grits	MT	6,600	3,000	NIL	NIL	NIL	NIL	NIL	NIL
M. S. Ingot	MT	20,000	20,000	NIL	NIL	NIL	NIL	NIL	NIL
Hot Rolled Products	MT	42,100	42,100	NIL	NIL	NIL	NIL	NIL	NIL
Cold Rolled Steel Strips	MT	10,000	13,000	NIL	NIL	NIL	NIL	NIL	NIL
Cold Rolled Mild Steel Strips	MT	10,000	13,000	1,746.00	2,118.00	48,000	22,48,334.00	36,000	18,37,008.00
Cold Rolled Stainless Steel Strips	MT	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Hot Rolled Steel Strips	MT	40,000	75,000	NIL	NIL	NIL	NIL	NIL	NIL
Hot Rolled Mild Steel Strips	MT	NIL	NIL	24,525.00	22,189.00	371,000	1,31,39,768.00	933,000	3,77,21,930.00
Hot Rolled Stainless Steel Strips	MT	NIL	NIL	3,275.00	6,462.00	257,000	8,99,500.00	299,000	29,29,402.00
Mild Steel Sections	MT	NIL	NIL	15.00	NIL	NIL	NIL	15,000	8,64,743.00
Stainless Steel Sections	MT	NIL	NIL	7.00	NIL	NIL	NIL	7,000	8,52,063.00
							2,26,66,127.00		5,15,47,653.00

NOTES :

1. Production of Hot Rolled Stainless Steel Strips 3275 MT (6442 MT) processed on behalf of other parties on conversion job basis.
2. Closing Stock of Hot Rolled Mild Steel Strips includes NIL (13 MT) lying with job worker.
3. After de-control, licence is not required for any of the products of the Company. Licenced Capacity given is as per licence originally granted.
4. Plant has run partly on single shift and partly on double shift basis.

## II. Analysis of Raw Materials &amp; Components consumed :-

Class of Goods	31st March, 2012		31st March, 2011	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
M. S. Scrap, C. I. Scrap, Sponge Iron etc.	3260.295	11,95,36,080	2570.510	79,24,257
Ferro Silicon	8.180	6,35,074	27.468	10,86,993
Ferro Manganese	99.670	65,14,272	327.440	2,20,035,448
Sundry Raw Materials	-	9,65,99,598	-	13,67,71,523
Hot Rolled Mild Steel Strips	2148.000	94,11,744	2432.000	3,72,67,107
Mild Steel Flats/Ingots/Slabs/Blooms	27590.000	89,44,32,252	24440.000	68,52,32,870
Components, Finished/Unfinished, Assembled & Sub-Assembled	-	-	-	-
M. S. Ingot	-	-	-	-
Hot Rolled Stainless Steel Coils	15.000	7,21,502	-	-
		<u>1,12,78,50,522</u>		<u>89,03,18,198</u>

Notes : Consumption of Hot Rolled Mild Steel Strips includes 1595 MT (1637 MT), material manufactured departmentally, the cost of which appears under relevant heads of the cost.

## III. Particulars of Turnover of products manufactured/trading items :-

Class of Goods	31st March, 2012		31st March, 2011	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
Steel Casting	3196.300	46,85,43,603	2705.695	32,86,37,140
Steel Shots & Grits	-	-	-	-
C. I. Shots & Grits	-	-	-	-
Hot Rolled Products	-	-	-	-
Cold Rolled Mild Steel Strips	1758.00	8,14,75,035	2156.000	9,20,80,782
Hot Rolled Mild Steel Strips	23963.000	86,48,04,957	22188.000	70,78,92,758
Misc. Sales	-	7,85,93,166	-	-
Hot Rolled Stainless Steel Strips	3233.000	-	6192.000	-
		<u>1,49,34,16,761</u>		<u>1,12,86,10,680</u>

1. Turnover of Hot Rolled Products includes Nil (Nil) valuing Rs. Nil (Nil) for Trading Goods.
2. Turnover of Hot Rolled Mild Steel Strips includes 1622 MT (1780 MT) used for internal consumption (Value has not been included in the above turnover).
3. Turnover of Hot Rolled Stainless Steel Strips includes 6192 MT (7357 MT) on conversion job 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.

Notes : (1) Following goods were used for internal consumption. (Value has not been included in the above turnover).

	Qty.	Qty.
Steel Shots & Grits	Nil	Nil
Hot Rolled Product	Nil	Nil
Hot Rolled Mild Steel Strips	Nil	Nil

## IV. Purchase of Finished Goods &amp; Return Inward for earlier years :-

Class of Goods	31st March, 2012		31st March, 2011	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
C. I. Shots	NIL	NIL	NIL	NIL
Hot Rolled Products	NIL	NIL	NIL	NIL
M. S. Products	NIL	NIL	NIL	NIL
		<u>NIL</u>		<u>NIL</u>
Return Inward for earlier years :				
Steel Castings		NIL		NIL
Steel Shots & Grits		NIL		NIL
		<u>NIL</u>		<u>NIL</u>

## V. Value of Raw Materials, Components &amp; Stores/Spares parts consumed and percentage thereof :-

Class of Goods	31st March, 2012		31st March, 2011	
	Rupees	Percentage	Rupees	Percentage
<b>Raw Materials :</b>				
Indigenous	99,26,12,936	88.00	73,30,31,559	82.34
Imported	13,52,37,586	12.00	15,72,86,639	17.66
	<u>1,12,78,50,522</u>	<u>100.00</u>	<u>89,03,18,198</u>	<u>100.00</u>
<b>Stores/Spares :</b>				
Indigenous	6,03,04,450	100.00	6,49,72,595	99.81
Imported	-	0	1,24,500	0.19
	<u>6,03,04,450</u>	<u>100.00</u>	<u>6,50,97,095</u>	<u>100.00</u>

## VI. Expenditure in Foreign currency

	31st March, 2012	31st March, 2011
Travelling Expenses	5,35,852	2,13,050

## VII. Earning in Foreign Exchange

FOB Value of Goods Exported	-	-
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## VIII. Class of Goods

Raw Material	28,26,94,584	28,26,94,584
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17. Operation of the Serampore Unit remained suspended during the year.

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

## CASH FLOW STATEMENT

(Rs. in '000)

Sl.No. Particulars	2011-2012		2010-2011	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Net Profit After Taxation (Current Year)		15,426.74		27,519.00
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Adjustment for :-				
Depreciation	11,161.30		12,779	
Finance Charges	36,493.59		28,697.00	
Interest Received	(855.82)		(800.00)	
Profit/Loss on sale of Fixed Assets (Net)	(544.16)		1.00	
Provision	(5,713.00)		(1,007.00)	
Bad Debt	3,448.63		303.00	
Preliminary Expenses	-		8.00	
	<u>43,990.54</u>		<u>39,981.00</u>	
Operating profit before Working Capital Changes		59,417.28		67,500.00
Changes in :-				
Add :				
Increase in Short term Borrowings	1,884.49		7,797.00	
Increase in Trade Payable	90,511.19		-	
Increase in Other Current Liabilities	14,273.94		61,732.00	
Decrease in Trade Receivables	27,583.44		-	
Increase in Other Current Assets	-		104.00	
Deferred Tax	2,446.22		-	
Decrease in Inventory	-		1,13,303.00	
	<u>1,36,699.27</u>		<u>1,82,936.00</u>	
Less :				
Increase in Inventories	21,210.42		-	
Increase in Short term Loans and Advances	12,766.87		-	
Increase in other Current Assets	2,035.40		-	
Increase in Sundry Debtor	-		62,944.00	
Decrease in Provision	(6.15)		-	
	<u>36,006.54</u>	<u>1,00,692.73</u>	<u>62,944.00</u>	<u>1,19,992.00</u>
Cash Generated from Operations		1,60,110.02		1,87,492.00
Direct Taxes Paid (net)		(11,505.96)		(1,778.00)
<b>Net Cash Flows from Operating Activities (A)</b>		<b>1,48,604.05</b>		<b>1,85,714.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Fixed Assets (Net)	(99,612.12)		(22,987.00)	
Interest Received	855.82		800.00	
Decrease in Non-Current Assets	7,240.18		-	
Change in CWIP	47,390.38		(42,173.00)	
<b>Net Cash Used in Investing Activities (B)</b>		<b>(44,125.75)</b>		<b>(64,360.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Shares	-		1,872.00	
Proceeds from Long Term Borrowings	8,966.61		(97,956.00)	
Finance Charges	(35,493.59)		(28,697.00)	
		<u>(27,526.98)</u>		<u>(1,24,781.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)		<u>76,951.33</u>		<u>(3,427.00)</u>
Opening Balance of Cash and Cash Equivalents		<u>2,178.00</u>		<u>5,605.00</u>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>79,129.33</b>		<b>2,178.00</b>

Signature to Schedules 1 to 20  
As per our Report of even date annexed  
CHATURVEDI & COMPANY  
Chartered Accountants  
S. C. CHATURVEDI  
Partner  
Membership No. 12705  
24 Park Street, Kolkata  
14th August, 2012

For and on behalf of the Board of Directors

N. K. RAJGARHIA  
Chairman & Managing Director

NILESH RAJGARHIA  
Executive Director



ORIENT STEEL & INDUSTRIES LIMITED

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I. Registration Details</b>																																																																																																					
Registration No.	:	23119																																																																																																			
State Code	:	21 (West Bengal)																																																																																																			
Balance Sheet Date	:	31st March, 2012																																																																																																			
<b>II. Capital Raised during the year</b>		(Amount in Thousands)																																																																																																			
a) Public Issue	:	NIL																																																																																																			
b) Right Issue	:	NIL																																																																																																			
c) Bonus Shares	:	NIL																																																																																																			
d) Private Placement	:	NIL																																																																																																			
<b>III. Position of Mobilization and Deployment of funds</b>																																																																																																					
a) Total Liabilities	:	885604																																																																																																			
b) Total Assets	:	885604																																																																																																			
<b>Source of Funds</b>																																																																																																					
a) Paid up Capital	:	29428																																																																																																			
b) Reserves & Surplus	:	244355																																																																																																			
c) Secured Loans	:	106564																																																																																																			
d) Unsecured Loans	:	505257																																																																																																			
		<u>885604</u>																																																																																																			
<b>Application of Funds</b>																																																																																																					
a) Net Fixed Assets	:	279637																																																																																																			
b) Investments	:	576541																																																																																																			
c) Net Current Assets	:	29426																																																																																																			
d) Deferred Tax Assets / (Liabilities)	:	20745																																																																																																			
e) Misc. Expenditure	:	-																																																																																																			
		<u>885604</u>																																																																																																			
<b>IV. Performance of Company</b>																																																																																																					
a) Turnover (Incl. other income)	:	1508593																																																																																																			
b) Total Expenditure	:	1488433																																																																																																			
c) Profit/Loss Before Tax	:	22641																																																																																																			
d) Profit/Loss After Tax	:	14475																																																																																																			
e) Earning per share in Rs.	:																																																																																																				
d) Dividend rate %	:	NIL																																																																																																			
<b>V. Generic Name of Three Principal Products/Services of Company</b>																																																																																																					
Item Code No. (ITC Code)	:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>2</td><td>1</td><td>1</td><td>5</td><td>9</td></tr></table>	7	2	1	1	5	9																																																																																													
7	2	1	1	5	9																																																																																																
Product Description	:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>F</td><td>L</td><td>A</td><td>T</td><td>R</td><td>O</td><td>L</td><td>L</td><td>E</td><td>D</td><td>P</td><td>R</td><td>O</td><td>D</td><td>U</td><td>C</td><td>T</td><td>O</td><td>F</td></tr><tr><td>I</td><td>R</td><td>O</td><td>N</td><td>O</td><td>R</td><td>N</td><td>O</td><td>N</td><td>A</td><td>L</td><td>L</td><td>O</td><td>Y</td><td>S</td><td>T</td><td>E</td><td>E</td><td>L</td></tr><tr><td>O</td><td>F</td><td>A</td><td>W</td><td>I</td><td>D</td><td>T</td><td>H</td><td>O</td><td>F</td><td>L</td><td>E</td><td>S</td><td>S</td><td>T</td><td>H</td><td>A</td><td>N</td><td></td></tr><tr><td>6</td><td>0</td><td>0</td><td>M</td><td>M</td><td>H</td><td>O</td><td>T</td><td>R</td><td>O</td><td>L</td><td>L</td><td>E</td><td>D</td><td>N</td><td>O</td><td>T</td><td>C</td><td>L</td><td>A</td><td>S</td></tr><tr><td>P</td><td>L</td><td>A</td><td>T</td><td>E</td><td>D</td><td>O</td><td>R</td><td>C</td><td>O</td><td>A</td><td>T</td><td>E</td><td>D</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	F	L	A	T	R	O	L	L	E	D	P	R	O	D	U	C	T	O	F	I	R	O	N	O	R	N	O	N	A	L	L	O	Y	S	T	E	E	L	O	F	A	W	I	D	T	H	O	F	L	E	S	S	T	H	A	N		6	0	0	M	M	H	O	T	R	O	L	L	E	D	N	O	T	C	L	A	S	P	L	A	T	E	D	O	R	C	O	A	T	E	D							
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ORIENT STEEL & INDUSTRIES LIMITED

Item Code No. (ITC Code) : 7 2 1 1 5 1

Product Description : FLAT ROLLED PRODUCT OF  
IRON OR NON ALLOY STEEL  
OF A WIDTH OF LESS THAN  
600MM NOT CLAD PLATED OR  
COATED COLD ROLLED (COLD  
REDUCED)

Item Code No. (ITC Code) : 8 6 0 7

Product Description : PARTS OF RAILWAY OR  
TRAMWAY LOCOMOTIVES OR  
ROLLING STOCK-BOGIES  
BISSEL-BOGIES, AXLES AND  
WHEELS AND PARTS THEREOF