

FIFTY SEVEN
ANNUAL REPORT
2012-2013

ORIENT STEEL & INDUSTRIES LIMITED

Orient Steel & Industries Limited
FIFTY SEVEN
ANNUAL REPORT
2012-2013

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*

SHRI BINOD KR. JELOKA *Director*

BANKERS

UCO BANK

AUDITORS

CHATURVEDI & COMPANY

REGISTERED OFFICE

2, BRABOURNE ROAD
KOLKATA - 700 001

ORIENT STEEL & INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 57th 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 Monday, 30th September, 2013 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, 2013 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 2013-14 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, 2013 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, 2013
Registered Office :
2, Brabourne Road
Kolkata-700 001.

By Order of the Board of Directors

NILESH RAJGARHIA
Executive 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 25th September to 30th September, 2013 (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, 2013.
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, 2013
Registered Office :
2, Brabourne Road
Kolkata-700 001.

By Order of the Board of Directors

NILESH RAJGARHIA
Executive Director

DIRECTORS' REPORT

Your Directors present herewith their 57th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	2012-2013 (Rs. in lakhs)	2011-2012 (Rs. in lakhs)
Total Income	13395.18	15085.93
Gross Profit / (Loss)	53.00	271.40
Depreciation	<u>182.47</u>	<u>111.61</u>
Profit/(Loss) before Tax	53.00	271.40
Provision for Taxation – Current	(15.40)	(57.13)
Provision for Tax - Deferred	(12.77)	(24.46)
Provision for Wealth Tax	(0)	(0.07)
Income Tax relating to earlier year	<u>(0)</u>	<u>(9.51)</u>
Profit/(Loss) after Tax	24.83	154.27
Profit/(Loss) brought forward	1266.61	2289.28
Amount available for appropriation	<u>1291.44</u>	<u>2443.55</u>
APPROPRIATIONS :		
Proposed Dividend	-	-
Provision for Corporate Dividend Tax	-	-
Transfer From General Reserve	-	-
Balance Carried Forward	<u>1291.44</u>	<u>2443.55</u>
	<u>1291.44</u>	<u>2443.55</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 marginal decrease of turnover of Rs. 133.95 Crores as against Rs. 150.85 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. 53.00 Lakhs as against Rs. 271.40 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.

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 :

- a. in preparation of the Annual Accounts, the applicable accounting standards have been followed.
- b. 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.
- c. 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.
- d. 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 2012-13. 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.

For and on behalf of the Board

Kolkata,
Dated : 14th August, 2013

NILESH RAJGARHIA
Executive 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>2012-2013</u>	<u>2011-2012</u>
1. Electricity		
i) Purchased		
Units (KWH)	7728839	8184567
Total Amount	50753049	44811400
Rate/Unit	6.57	5.47
ii) Own Generation through our Generator		
Units	-	-
Units per ltr. Of Diesel Oil	-	-
Rate / Unit	-	-
2. Coal/Coke		
Quantity (Kgs.)	5385290	740820
Total Cost	42166716	49144316
Average Rate	7.82	6.63
3. Furnace Oil / Diesel Oil		
Quantity (Ltr.)	293170	900487
Total Cost	13892385	19681248
Average Rate	47.39	21.85
4. Furnace Oil / Diesel Oil		
Quantity (Ltr.)	128900	20000
Total Cost	5526061	804400
Average Rate	42.87	40.22

B. TECHNOLOGY ABSORBTION, ADOPTATION ANDE INNOVATION RESEARCH & DEVELOPMENT**TECHNOLOGY ABSORBTION**

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, 2013.

For and on behalf of the Board
NILESH RAJGARHIA
Executive 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 2012-2013. 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, 2013, 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	6	Nil
Girish Kumar Khaitan	Director	Independent	Nil	9	Nil
Nilesh Rajgarhia	Whole-time Director	Promoter	222900	6	Nil
Pavan Kumar Poddar	Director	Independent	Nil	13	Nil
Binod Kumar Jeloka	Director	Independent	Nil	2	Nil

Board Meeting and Attendance:

During the year 2012-2013, the board met 4 (four) times on the following dates: 14/05/2012, 14/08/2012, 15/11/2012 and 15/02/2013. 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 2012-2013 :

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
Binod Kumar Jeloka	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.

Compliance Officer

Mr. Nilesh Rajgarhia, Executive Director is the Compliance Officer of the Company.

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)			
		14/05/2012	14/08/2012	15/11/2012	13/02/2013
Nawal Kishore Rajgarhia	Managing Director	Y	Y	Y	Y
Girish Kumar Khaitan	Independent Director	Y	Y	Y	Y
Pawan Kumar Poddar	Independent Director	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, 2012 to March 31, 2013, are as under:

Srl. No.	Type of Complaint	Pending as on 01.04.2012	Total Complaints Received	Complaints Redressed	Redressal under Process	Pending as on 31.03.2013
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	30/09/2012	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. 12 on Schedule 17 to the Annual Audited Accounts of the Company for the year ended 31st March, 2013 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 30/09/2013 at 2, Brabourne Road, 5th Floor, Kolkata-700001 at 11:00 A.M.
6. Date of Book Closure	:	25/09/2013 TO 30/09/2013
7. Tentative Financial Calendar For the year 2012-13 :	:	
1st Quarter Results & Limited Review		End July, 2012
2nd Quarter Results & Limited Review		End October, 2012
3rd Quarter Results & Limited Review		End January, 2012
Un-audited Annual Results (2012-2013)		Mid May, 2013
Audited Annual Results (2012-2013)		June-July, 2013
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, 2012 to March 31, 2013
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 31.03.2013 :					
	<i>Slab of Shareholding</i>	<i>No. of Shareholding</i>	<i>% of Shareholders</i>	<i>No. of Shares Held</i>	<i>% of Shares Held</i>
	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
	Total	2942800	100.00	0.00	0.00
19. Shareholding pattern as on 31.03.2012:					
	<i>Shareholding pattern</i>	<i>Number of shares</i>	<i>% of Shareholding</i>		
	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		
	Grand Total	2942800	100%		
20.	Addresses for Investor correspondence	:			
	Registered Office	:	2, Brabourne Road, 5th Floor, Kolkata-700001, West Bengal		
	E-mail address	:	osil@cal2.vsnl.net.in		
	Website	:	Nil		

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, 2013, 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, 2013 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, 2013
Place : Kolkata

Pawan Kumar Poddar
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. 3,20,00,000/-

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, 2013. 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 14/05/2012, 14/08/2012, 15/11/2012 & 13/02/2013 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 remained closed from 24th September, 2012 to 29th September, 2012.
6. The Annual General meeting for the financial year ended on 31/03/2012 was held on 29/09/2012 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. No extra-ordinary general meeting was held during the years on 31st day of March, 2013.
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. There were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.

12. 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, 2013.
 - (c) Not posted warrants to any member of the Company as no dividend was declared during the financial year ended on 31st March, 2013.
 - (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, 2013.
15. There was reappointment of Whole Time Director during the year and change of terms & conditions of appointment of Managing Director of the company has complied with the provisions of the Act. The Company has not appointed any 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, 2013.
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 31/03/2013.
31. We are informed that the Company has not received any show cause notice for any alleged offence under the Act.

ORIENT STEEL & INDUSTRIES LIMITED

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: 30/04/2013

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, 2013 :

Sl. No.	Form No. / Return	Relevant Section	Description	Filed on	Whether filed within prescribed time Yes/No
1	Form No.-66 (Compliance Certificate)	383(1)	For the year ended 31/03/2012	31/10/2012	YES
2	Form No.-23AC-XBRL & 23ACA-XBRL (Balance Sheet)	220	For the year ended 31/03/2012	03/01/2013	YES
3	Form No.-20B (Annual Return)	159	For AGM held on 29/09/2012	28/11/2012	YES
4	Form No.-32	303(2)	Doc. dt. - 14/08/2012	11/09/2012	YES
5	Form No.-32	303(2)	Doc. dated - 29/09/2012	31/10/2012	YES

INDEPENDENT AUDITOR'S 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**, ("the **Company**"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for Qualified Opinion

- i. *As referred in Note No.25 (1)(vi) to the accompanying financial statements, regarding non-provision of Leave encashment in the books of account and considered on cash basis and its consequential impact in the Financial statements (amount not ascertainable);*
- ii. *As referred in Note No.25 (6), No provision had been made as against Doubtful debts for Rs. 14.25 Lacs (amount ascertained) in accounts as at March 31, 2013. Further advances and claim receivable of Rs. 7.21 Lacs are considered doubtful for recovery and no provision had been made in accounts as against such doubtful advances as at March 31, 2013. As explained, management is taking necessary actions and pursuing the matters with the parties for recovering the amounts;*
- iii. *As referred in Note No.25 (7), balance of Trade receivables of Rs. 1530.06 Lacs, Trade payables of Rs.3794.72 Lacs, certain balances in Long term and Short term loans and advances and deposits as appearing in the books of accounts as at March 31, 2013, are subject to balance confirmations;*

We further report that the overall impact of item as mentioned in paragraph (ii) above by which, the profitability of the Company is overstated by Rs.21.46 Lacs (amount ascertained) and having consequential impact on the relevant items of the balance sheet and in aforesaid item (i)& (iii), 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 effects the matter described in Basis for Qualified Opinion paragraph, the financial statements give the information required the Act in the manner so required and give a true and fair view in conformity with the accounting principles general accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit *except confirmations of balances of Trade Receivables, Trade Payables, Long term and short term Loans & Advances and deposits as referred in Note No.25 (1)(vi) to the accompanying financial statements and Item (Hi) of 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 appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 *except Leave encashment liability which is not being determined on the basis of actuarial valuation as referred in Accounting Standard (AS) 15 "Employee benefits" and accounted for on cash basis as referred in Note No.25 (1)(vi) and Item (i) of the Basis for Qualified Opinion paragraph above;*
 - e) On the basis of the written representations received from the Directors as on March 31,2013 and taken on record by the Board of Directors , we report that none of the Directors is disqualified as on March 31,2013 from being appointed as Directors of the Company in terms of (g) of sub-section(1) of section 274 of the Companies Act, 1956.

For CHATURVEDI & COMPANY
Chartered Accountants
Firm Regn. No. 302137E
R. K. NANDA
Partner
Membership No. 510574

Place : Kolkata
Dated : August 14, 2013

ANNEXURE TO THE AUDITORS' REPORT

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

- i) (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.
- ii) (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.
- iii) (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. 51,058,170/-.
- (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.
- iv) 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.
- v) (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 in respect of any party during the year.
- vi) 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.

ORIENT STEEL & INDUSTRIES LIMITED

- vii) In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
- viii) 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.
- ix) (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 Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it except for TDS, Sales Tax and Provident Fund where have been dealt in some cases. We were informed that the operations of the unit during the year did not give rise to any liability for Investor Education and Protection Fund.
- (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, 2013 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	935,377	Ca-II Commissionerate, Central Excise, Strand Road
WBST Act, 1944	Sales Tax	8,038,590	Dy. Comm. Corporate Divn. Beliaghata
CST Act, 1956	-do-	770,877	Dy. Comm. Corporate Divn., Beliaghata
Other Statute	Purchase Tax	5,876,418 (Amount provided there against Rs. 3,129,942	High Court, Punjab & Haryana

- x. 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.
- xi. 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.
- xii. 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
- xiii. 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.
- xiv. 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

- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any fund by way of public issues during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no frauds on or by the Company were noticed or reported during the year.

For CHATURVEDI & COMPANY
Chartered Accountants
Firm Regn. No. 302137E
R. K. NANDA
Membership No. 510574
Partner

Kolkata
Dated : August 14, 2013

ORIENT STEEL & INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note Reference	Consolidated	
		As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
I. EQUITY & LIABILITIES			
Shareholder's Fund			
a) Head Office Account		—	—
b) Share Capital	1	2,94,28,000	2,94,28,000
c) Reserve & Surplus	2	24,68,37,718	24,43,55,012
Non-Current Liabilities			
a) Long Term Loan	3	17,06,82,442	17,79,23,722
b) Other Long Term Liabilities		—	—
c) Long Term Provision	4	2,11,36,286	1,49,83,085
Current Liabilities			
a) Short Term Borrowings	5	12,40,51,138	10,76,03,814
b) Trade Payable	6	37,94,72,491	25,66,23,834
c) Other Current Liabilities	7	4,86,09,018	4,35,80,968
d) Short-term provisions	8	79,22,377	1,11,06,139
		<u>1,02,81,39,470</u>	<u>88,56,04,574</u>
II. ASSETS			
Non-Current Assets			
a) Fixed Assets	9	—	—
i) Tangible Assets		25,36,50,698	26,37,79,625
ii) Capital Work in Progress		5,11,12,704	1,58,58,317
b) Non-Current Investments	10	500	500
c) Deferred Tax Assets		1,70,22,291	1,82,99,124
Loan Term Loan and Advances	11	57,12,488	32,52,746
Other Non Current Assets	12	1,61,33,345	88,68,618
Current Assets			
a) Inventories	13	32,98,62,579	33,32,04,213
b) Trade Receivable	14	15,30,06,278	11,65,13,257
c) Cash & Cash Equivalents	15	16,52,77,860	7,91,29,328
d) Short-term Loans and Advances	16	2,81,34,464	4,11,84,742
e) Other Current Assets	17	82,26,265	55,14,105
		<u>1,02,81,39,470</u>	<u>88,56,04,575</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

R. K. NANDA
Partner

Membership No. 510574

Place : Kolkata
Date : 14th August, 2013

For and on behalf of the Board

N. K. RAJGARHIA
Chairman & Managing Director

NILESH RAJGARHIA
Executive Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note Reference	Year ended March 31, 2013 (Rupees)	Year ended March 31, 2012 (Rupees)
INCOME			
Revenue from operations	18	1,33,95,17,869	1,50,71,93,938
Other Income	19	1,69,89,079	69,80,295
Total Revenue		1,35,65,06,948	1,51,55,74,233
EXPENSES			
Cost of Material Consumed	20	1,07,08,64,361	1,12,64,50,522
Changes in inventory of work in progress/Finished Goods	21	(2,34,27,070)	4,60,04,518
Employee benefits expense	22	4,06,80,311	2,98,74,005
Finance costs	23	3,94,90,045	3,64,93,586
Depreciation and amortization expenses	9	1,82,47,193	1,11,61,302
Other Expenses	24	20,53,51,692	23,70,50,064
		1,35,12,06,533	1,48,82,76,233
Profit before Exceptional and Extra-ordinary Items and Tax		53,00,415	2,71,40,234
Exceptional Items (Prior Period Adjustment)		-	(44,98,259)
Profit before Extra-ordinary items and Taxes		53,00,415	2,26,41,975
Extra-ordinary Items		-	-
Profit Before Tax		53,00,415	2,26,41,975
Tax Expenses			
I. Current Tax		(15,40,519)	(57,13,000)
II. Deferred Tax		(12,77,193)	(24,46,219)
III. Wealth Tax		-	(7,200)
Profit / (Loss) after Tax		24,82,702	1,44,75,556
Income Tax relating to earlier years		-	9,51,188
Profit for the year		24,82,702	1,54,26,744
Basic EPS			
Dilluted EPS			

Significant Accounting Policies and Notes on Financial Statements

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As per our Report of even date attached

CHATURVEDI & COMPANY

Chartered Accountants

R. K. NANDA

Partner

Membership No. 510574

Place : Kolkata

Date : 14th August, 2013

For and on behalf of the Board

N. K. RAJGARHIA
Chairman & Managing DirectorNILESH RAJGARHIA
Executive Director

NOTES TO FINANCIAL STATEMENTS

		As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
NOTE - 1 : SHARE CAPITAL			
Authorised :			
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>
Issued & Subscribed and Paid-up :			
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 th debenture at the end of the year**

	As at March 31, 2013	
	No.	Amount
At the beginning of the year	29,42,800	2,94,28,000
Add : Issue during the year	-	-
Outstanding at the end of the year	<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 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.

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, 2013	
	No.	% holding
Nawal Investment Pvt. Ltd.	470740	16
Nawal Kishore Rajgarhia	320150	11
Maroon Projects Pvt. Ltd.	484,400	16

NOTE – 2 : RESERVE & SURPLUS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
a) General Reserve		
b) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	24,43,55,015	22,89,28,268
Security Premium Account	–	–
Profit for the year	24,82,702	1,54,26,744
Capital Reserve	–	–
Balance at the end of the year	<u>24,68,37,717</u>	<u>24,43,55,012</u>

NOTE – 3 : LONG TERM LOAN

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Secured :		
Vehicle Loan from Banks (Refer to Note (a) below)	14,21,324	17,99,592
Unsecured :		
From Directors	18,95,164	59,85,541
From Others	16,28,41,944	14,93,85,878
Interest Accrued and due on the above	45,24,010	2,07,52,711
TOTAL	<u>17,06,82,442</u>	<u>17,79,23,722</u>

Note (a) Vehicle Loan from ICICI bank is secured by way of hypothecation on vehicle purchase. It carries interest rate of 12.75% and is repayable in 60 monthly instalments. Last instalment being due on November 15, 2016.

(b) Vehicle Loan from Axix bank is secured by way of hypothecation on vehicle purchase. It carries interest rate of 10.5% and is repayable in 60 monthly instalments. Last instalment being due on July 10, 2015.

(c) Vehicle Loan from Kotak Prime Ltd. is secured by way of hypothecation on vehicle purchase. It carries rate of 10.5% and is repayable in 60 monthly instalments. Last instalment being due on July 10, 2015.

NOTE – 4 : LONG-TERM PROVISION

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Provision for Employee Benefits		
For Gratuity	96,13,286	91,73,085
For Taxation	1,15,23,000	58,10,000
TOTAL	<u>2,11,36,286</u>	<u>1,49,83,085</u>

ORIENT STEEL & INDUSTRIES LIMITED

NOTE – 5 : SHORT-TERM BORROWINGS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Secured Loan		
Cash Credit Loan from Banks *	12,40,51,138	10,47,65,027
Term Loan **	-	-
Unsecured Loans		
From Body Corporates	-	28,38,787
TOTAL	12,40,51,138	10,76,03,814

Note (d) Cash Credit loan from UCO Bank @ Base rate + 4% i.e. 14.20%, secured by Hypothecation of inventories, Stores and Spares, Book Debt and other movables property and is guaranteed of the company.

NOTE – 6 : TRADE PAYABLE

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Micro Small and Medium Enterprises	-	-
Sundry Creditors (Including Acceptance of Rs. 281,094,478 previous year Rs. 78,348,806)	37,94,72,491	25,66,23,834
TOTAL	37,94,72,491	35,62,23,834

NOTE – 7 : OTHER CURRENT LIABILITIES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Current maturities of Long Term Debt (Refer to Note (b) below)	3,21,365	2,90,746
Interest accrued and due on borrowings	1,31,301	3,06,589
Interest accrued but not due on borrowings	-	5,48,215
Advances From Customers	72,18,808	1,64,70,017
Other Payable	-	1,24,63,162
Employee Benefits Payable	27,36,848	1,68,856
Statutory dues including Provident Fund and Tax deducted at Source	2,24,58,633	1,33,33,383
Miscellaneous Expenses Payable	1,57,42,063	-
TOTAL	4,86,09,018	4,35,80,968

Note (e) 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, 2013 (Rupees)	As At March 31, 2012 (Rupees)
For	-	-
Excise	-	8,07,702
Provision for Tax	15,40,519	71,61,295
Wealth Tax	7,200	31,37,142
Gratuity	20,60,544	-
Leave Encashment	11,84,172	-
Purchase Tax	31,29,942	-
TOTAL	79,22,377	1,11,06,139

ORIENT STEEL & INDUSTRIES LIMITED

NOTE - 9 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 31.03.2012 Rs.	Addition during the year Rs.	Sales & Adjust- ment Rs.	Total as at 31.03.2012 Rs.	Upto 31.03.2012 Rs.	For the year Rs.	Sales & Adjust- ment Rs.	Upto 31.03.2013 Rs.	Net Value as at 31.03.2013 Rs.	Net Value as at 31.03.2012 Rs.
Land & Development	94,42,903	-	-	94,42,903	-	-	-	-	94,42,903	94,42,903
Leasehold Land	3,24,39,680	-	-	3,24,39,680	6,55,348	3,27,674	-	9,83,022	3,14,56,658	3,17,84,332
Office Table & Space Building	6,01,363	-	-	6,01,363	-	-	-	-	6,01,363	6,01,363
	11,91,893	-	-	11,91,893	7,97,967	-	-	7,97,967	3,93,926	3,93,926
Factory Shed & Building	5,59,20,700	-	-	5,59,20,700	2,00,26,096	13,94,743	-	2,14,20,839	3,44,99,861	3,56,94,604
Plant & Machinery	29,76,96,774	70,85,053	-	30,47,81,827	14,69,18,764	1,33,15,761	-	16,02,34,525	14,45,27,302	15,07,78,010
Air Conditioner	9,86,648	19,450	-	10,06,098	7,18,933	25,201	-	7,44,134	2,61,964	2,67,715
Furniture & Office Equipment	60,75,900	2,26,000	-	63,01,900	39,55,991	3,65,148	-	43,21,139	19,80,761	21,19,909
Vehicles	1,09,38,162	8,57,128	6,97,000	1,10,98,290	52,39,374	11,39,338	2,46,978	59,12,557	51,85,733	56,98,788
Computer	13,41,907	1,81,481	-	15,23,388	11,24,304	80,035	-	12,04,339	3,19,049	2,17,603
Generator Set	3,08,48,558	-	-	3,08,48,558	42,68,233	15,99,293	-	58,67,526	2,49,81,032	2,65,80,325
Mobile	4,736	-	-	4,736	4,590	-	-	4,590	146	146
TOTAL	44,74,89,224	83,49,112	6,97,000	45,51,41,336	18,37,09,600	1,82,47,193	2,46,978	20,14,90,638	25,36,50,698	26,37,79,625
Capital Work in Progress									5,11,12,704	1,58,58,317
									<u>30,47,63,402</u>	<u>27,96,37,942</u>

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NOTE – 10 : NON-CURRENT INVESTMENTS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
In Government Securities (Unquoted) Post Office National Savings Certificate	500	500
TOTAL	500	500

NOTE – 11 : LOAN TERM LOAN AND ADVANCES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Security Deposits	29,42,665	29,42,665
Capital Advance	27,69,823	3,10,081
TOTAL	57,12,488	32,52,746

NOTE – 12 : OTHER NON-CURRENT ASSETS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Long term deposits with banks with maturity period more than twelve months (Refer note (c) below)	–	50,000
Deposit with Government Department	44,10,716	31,02,450
Advance Tax & TDS	1,10,50,000	50,00,000
ITDS Refundable	6,72,629	7,16,168
TOTAL	1,61,33,345	88,68,618

Note (f) Held as lien by bank against bank guarantees

NOTE – 13 : INVENTORIES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Finished Goods	3,77,24,120	5,15,47,653
Work-in-Process	7,86,03,211	4,12,00,249
Raw Material	14,89,09,352	18,35,90,660
Stores & Spares	6,37,19,888	5,58,07,284
Scrap	4,50,267	6,27,848
By Product	4,55,741	4,30,519
TOTAL	32,98,62,579	33,32,04,213

NOTE – 14 : TRADE RECEIVABLES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (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	7,80,61,127	4,91,05,814
Unsecured, considered Doubtful	14,24,636	27,54,945
Less : Provision for doubtful debts	—	—
	(A) 7,94,85,763	5,18,60,759
Other Receivables	—	—
Unsecured, considered good	7,35,20,515	6,46,52,498
	(B) 7,35,20,515	6,46,52,498
TOTAL (A+B)	<u>15,30,06,278</u>	<u>11,65,13,257</u>

NOTE – 15 : CASH AND BANK BALANCES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Cash in hand	18,99,305	16,03,660
Bank Balance	—	—
In Current Account	2,82,888	6,92,76,975
Demand deposit (less than three months maturity)	5,61,14,799	69,19,750
Fixed Deposits (Receipts under Item with bank)	12,59,910	12,16,984
Other Bank Balances		
Long term deposits with maturity more than three months but less than twelve months	10,57,07,708	98,710
With Post Office Savings Bank Account (Pass Book Pledged with collector of Central Excise)	13,250	13,250
TOTAL	<u>16,52,77,859</u>	<u>7,91,29,328</u>

NOTE – 16 : SHORT-TERM LOANS AND ADVANCES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
(Unsecured, Considered Good, unless other wise stated)		
Advances recoverable in cash or in kind or for value to be received	24,18,197	2,16,13,242
Claim Receivable	13,67,483	8,74,626
Prepaid Expenses	15,74,566	17,18,722
Balances with Government authorities	2,27,74,218	1,69,78,152
TOTAL	<u>2,81,34,464</u>	<u>4,11,84,742</u>

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NOTE – 17 : OTHER CURRENT ASSETS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Accrued Interest on fixed deposits	47,44,554	1,90,750
Other Current Assets Interest Receivable	–	1,79,233
Balance with Custom & Excise Department	–	5,62,888
Advance Tax & TDS	20,00,000	42,00,000
ITDS Refundable	14,81,711	3,81,234
TOTAL	<u>82,26,265</u>	<u>55,14,105</u>

NOTE – 18 : REVENUE FROM OPERATIONS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Sales of Products :		
Finished Goods (including Rs. 14,00,000 for captive consumption (previous year Rs. 8,89,500))	1,24,93,00,295	1,41,34,23,594
Scrap and By Products	7,15,64,064	7,85,93,166
	1,32,08,64,359	1,49,20,16,760
Sales of Services		
Job work charges	1,86,53,510	1,51,77,178
TOTAL	<u>1,33,95,17,869</u>	<u>1,50,71,93,938</u>

NOTE – 19 : OTHER INCOME

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Interest received from Bank (Gross TDS Rs. 11,07,463/-, Previous year Rs. 76,717/-)	1,11,54,708	8,55,820
Miscellaneous receipts (Net)	57,94,371	55,49,874
Discount Received	–	12,177
Profit on sale of fixed assets	–	5,62,424
Testing Charges Received	–	–
Storing Charges	40,000	–
TOTAL	<u>1,69,89,079</u>	<u>69,80,295</u>

NOTE – 20 : COST OF MATERIALS CONSUMED

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Opening Inventory	18,35,90,660	12,16,87,409
Add : Purchases of Raw Materials	1,03,66,01,962	1,18,83,53,773
Less : Raw Materials Sales	—	—
Less : Inventory at the end of year	(10,60,76,992)	(18,35,90,660)
Less : Goods Returned	4,18,909	—
TOTAL	<u>1,07,08,64,361</u>	<u>1,12,64,50,522</u>

NOTE – 21 : CHANGES IN INVENTORY OF FINISHED GOODS

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Stock at the end of year		
Finished Goods	3,77,24,120	5,15,47,653
Work-in-process	7,86,03,211	4,12,00,249
By Product	4,55,741	4,30,519
Scrap	4,50,267	6,27,848
Less :		
Stock at the opening of the year		
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
TOTAL Increase/(Decrease) in Stocks	<u>2,34,27,070</u>	<u>(4,60,04,519)</u>

NOTE – 22 : EMPLOYEES BENEFITS EXPENSES

	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Salaries & Wages, Bonus	3,26,45,270	2,38,60,041
Contribution to provident fund and other funds	37,15,424	31,97,316
Staff Welfare Expenses	21,91,558	20,78,548
Gratuity	21,28,059	7,38,100
TOTAL	<u>4,06,80,311</u>	<u>2,98,74,005</u>

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NOTE – 23 : FINANCE COST	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Interest Expenses	85,39,409	37,08,337
Other Borrowings Cost	93,16,985	1,06,08,398
Bank Interest	5,45,788	14,24,140
Inter Corporate Loan Interest	2,10,87,863	2,07,52,711
TOTAL	3,94,90,045	3,64,93,586

NOTE – 24 : OTHER EXPENSES	As At March 31, 2013 (Rupees)	As At March 31, 2012 (Rupees)
Manufacturing Expenses :		
Consumption of Stores	4,68,71,611	6,03,04,450
Power & Fuel	11,23,38,214	11,44,41,365
Repairs & Maintenance :		
Building	1,64,230	90,023
Plant & Machinery	32,37,068	36,49,794
Excise Duty	2,18,50,680	3,12,42,007
Processing charges paid	5,52,425	10,10,405
Selling and Distribution Expenses		
Freight, transport and handling charges	28,87,000	30,31,984
Advertisement	37,500	1,00,960
Rebate & Discount	–	9,960
Brokerage & Commission	7,53,027	12,15,293
Sales Tax Expenses	–	9,408
R&D Expenses	16,900	18,95,117
Bad Debt Written Off	20,83,586	34,48,628
Administration Expenses		
Repairs & Maintenance	–	9,67,493
Others	4,47,644	12,87,950
Rates & Taxes	3,45,305	7,16,550
Insurance	2,54,117	2,87,244
Donation	88,271	30,720
Auditor's Remuneration	–	–
Audit Fee	1,71,800	1,71,800
Tax Audit Fee	52,000	52,000
Printing & Stationery	4,35,766	2,34,365
Vehicle Maintenance	6,27,009	4,93,121
Travelling & Conveyance Expenses	33,14,252	29,29,705
Postage, Telegram & Telephone	6,84,501	4,84,346
Legal & Professional Expenses	7,34,073	16,91,634
Service Tax Paid	3,56,742	9,00,055
Liling fees	20,717	3,762
Security Service Charges	9,55,624	10,69,739
Mislleneous Expenses	26,73,849	21,97,941
Fees & Subscriptions	4,84,132	5,28,479
Directors Fees	25,000	27,500
Directors Remuneration	25,50,000	25,08,000
Entry Tax	2,47,864	–
Loss on sale of Plant & Machinery	65,197	18,267
Prior Period Expenses	25,587	–
TOTAL	20,53,51,691	23,70,50,064

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 :-**
- Fixed Assets are stated at cost less depreciation.
 - 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.
 - 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 :-**
- 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).
 - 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 cost has been arrived at in case of –
- Raw Materials is valued at cost. Cost is comprise cost of purchase and other costs incurred in bringing the inventories to the factory. Method of valuation is FIFO basis.
 - Work in progress valued at on absorption cost basis to the extent.
 - Finished Goods are valued at lower of cost or net realisable value.
 - Stores & Spares valued of weighted average cost basis.
 - 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 :-**
- Sales are inclusive of Excise Duty where applicable, but excluding Sales Tax.

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- 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 31.03.2013 amounts to Rs. 2,00,82,528 (Rs. 2,57,81,948) and Letter of Credit remaining outstanding as on 31.03.13 amounts to Rs. 28,10,74,478 (Rs. 3,53,27,614).
- (ii) Excise Demand contested with appropriate authority Rs. 9,35,377 (Rs. 84,75,714).
- (iii) Demand of Sales Tax/Purchase Tax Rs. 1,46,85,885 (Rs. 1,21,20,510), 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. 14,24,636 (Rs. 27,54,945).
(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 pursuing 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.

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8.	Managerial Remuneration Paid to Directors :-	Year ended 31st March, 2013 (Rupees)	Year ended 31st March, 2012 (Rupees)
	Salary	25,50,000	25,08,000
	Contribution to Provident Fund	2,70,000	2,66,400
	Perquisite (Actual and/or as evaluated under Income Tax Act)	-	21,600
		<u>28,20,000</u>	<u>27,96,000</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.	Related party Disclosure :		
	A. <u>List of Related Parties :</u>		
	i) <u>Key Management Person</u>		
	Shri N. K. Rajgarhia	Chairman & Managing Director	
	Shri Nilesh Rajgarhia	Executive Director	
	ii) <u>Other Related Parties :</u>		
	(Company/Enterprises over which Key Management Personel and/or their relatives exercise significant influence)		
	a) N. K. Rajgarhia & Son		
	b) Vyaparik Pratisthan Ltd.		
	c) Maroon Projects (P) Ltd.		
	d) Sujata Investments Ltd.		
	e) Nawal Investment (P) Ltd.		
	B. <u>Details of transactions/outstanding balances :</u>		
		<u>As on 31.03.2013</u> Amount (in Rs.)	<u>As on 31.03.2012</u> Amount (in Rs.)
	Remuneration Paid	25,50,000	25,08,000
	Directors Fees	25,000	27,500
	Payment for Services	3,60,000	3,00,000
	Loan Taken	26,43,243	63,25,000
	Interest Paid	14,54,104	21,94,732
13.	Computation of Basic and Diluted Earnings per Share :		
	Profit after Tax	24,82,702	1,54,26,744
	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. 0.84	Rs. 5.24
14.	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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15. 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 31.3.2012		Closing Stock 31.3.2013	
				2012-13 Qty.	2011-12 Qty.	Opening Qty.	Value Rs.	Qty.	Value Rs.
Steel Casting	MT	24,000	24,000	23,36,760	32,50,990	82,000	67,11,702.00	5,560	4,17,000.00
Steel Shots & Grits	MT	4,200	4,200	NIL	NIL	15,090	6,30,805.00	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	1,453,000	1,746.00	36,000	18,37,008.00	6,000	26,81,29.00
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	21,206,000	24,525.00	933,000	3,77,21,930.00	620,000	2,48,18,537.00
Hot Rolled Stainless Steel Strips	MT	NIL	NIL	3,979,000	3,275.00	299,000	29,29,402.00	311,000	16,88,115.00
Mild Steel Sections	MT	NIL	NIL	433,000	15.00	15,000	8,64,743.00	20,000	11,03,200.00
Stainless Steel Sections	MT	NIL	NIL	146,000	7.00	7,000	8,52,063.00	76,000	94,29,139.00
							5,15,47,653.00		3,77,24,120.00

NOTES :

1. Production of Hot Rolled Stainless Steel Strips 3979 MT (3275 MT) processed on behalf of other parties on conversion job basis.
2. Closing Stock of Hot Rolled Mild Steel Strips includes NIL (NIL) 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 & Components consumed :-

Class of Goods	31st March, 2013		31st March, 2012	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
M. S. Scrap, C. I. Scrap, Sponge Iron etc.	2592.932	10,85,57,642	3260.295	11,95,36,080
Ferro Silicon	0.180	2,39,261	8.180	6,35,074
Ferro Manganese	9.670	4,18,909	99.670	65,14,272
Sundry Raw Materials	-	6,91,92,161	-	9,65,99,598
Hot Rolled Mild Steel Strips	1792.000	1,86,32,320	2148.000	94,11,744
Mild Steel Flats/Ingots/Slabs/Blooms	23737.000	84,07,45,876	27590.000	89,44,32,252
H R Coil	469.000	1,94,35,904	-	-
Hot Rolled Stainless Steel Coils	169.000	1,36,42,288	15.000	7,21,502
		<u>1,07,08,64,361</u>		<u>1,12,78,50,522</u>

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

Class of Goods	31st March, 2013		31st March, 2012	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
Steel Casting	2413.200	32,79,50,469	3196.300	46,85,43,603
Hot Rolled Products	-	-	-	-
Cold Rolled Mild Steel Strips	1483.000	7,07,75,537	1758.00	8,14,75,035
Cold Rolled Formed Sections of Mild Steel	428.000	2,49,94,785	-	-
Cold Rolled Formed Sections of Stainless Steel	77.000	81,24,077	-	-
Hot Rolled Mild Steel Strips	21519.000	81,74,55,427	23963.000	86,48,04,957
Misc. Sales	-	-	-	7,85,93,166
Hot Rolled Stainless Steel Strips	3967.000	-	3233.000	-
		<u>1,24,93,00,295</u>		<u>1,49,34,16,761</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 1395 MT (1689 MT) used for internal consumption (Value has not been included in the above turnover).
3. Turnover of Hot Rolled Stainless Steel Strips includes 3967 MT (3233 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

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

Class of Goods	31st March, 2013		31st March, 2012	
	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 & Stores/Spares parts consumed and percentage thereof :-

Class of Goods	31st March, 2013		31st March, 2012	
	Rupees	Percentage	Rupees	Percentage
Raw Materials :				
Indigenous	82,58,46,361	77.12	99,26,12,936	88.00
Imported	24,50,18,000	22.88	13,52,37,586	12.00
	<u>1,07,08,64,361</u>	<u>100.00</u>	<u>1,12,78,50,522</u>	<u>100.00</u>
Stores/Spares :				
Indigenous	4,68,71,611	100.00	6,03,04,450	100.00
Imported	-	-	-	-
	<u>4,68,71,611</u>	<u>100.00</u>	<u>6,03,04,450</u>	<u>100.00</u>

Value of Imports on C.I.F. basis

	31st March, 2013	31st March, 2012
Bloom Slabs	24,50,18,000.00	10,21,29,491.00

VI. Expenditure in Foreign currency

Travelling Expenses	5,35,852	5,35,852
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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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16. Operation of the Serampore Unit remained suspended during the year.

17. 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	2012-2013		2011-2012	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Net Profit After Taxation (Current Year)		2,482.70		15,426.74
A. CASH FLOW FROM OPERATING ACTIVITIES				
Adjustment for :-				
Depreciation	13,247.19		11,161.30	
Finance Charges	39,490.04		36,493.59	
Interest Received	(11,154.71)		(855.82)	
Profit/Loss on sale of Fixed Assets (Net)	65.20		(544.16)	
Provision for Tax	5,713.00		(5,713.00)	
Bad Debt	-		3,448.63	
Preliminary Expenses	-		-	
	<u>52,360.73</u>		<u>43,990.54</u>	
Operating profit before Working Capital Changes		54,843.43		59,417.28
Changes in :-				
Add :				
Increase in Short term Borrowings	16,447.32		1,884.49	
Increase in Trade Payable	1,22,848.66		90,511.19	
Increase in Other Current Liabilities	5,028.05		14,273.94	
Decrease in Trade Receivables	-		27,583.44	
Increase in Other Current Assets	(2,712.16)		-	
Deffered Tax	1,277.19		2,446.22	
Decrease in Inventory	3,341.63		-	
Decrease in short term loans and advances	13,050.28		-	
Increase in provision for gratuity	440.20		-	
	<u>1,59,721.18</u>		<u>1,36,699.27</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	36,493.02		-	
Decrease in Short Term Provision	3,183.76		(6.15)	
	<u>(39,676.78)</u>	<u>1,20,044.39</u>	<u>36,006.54</u>	<u>1,00,692.73</u>
Cash Generated from Operations		1,74,887.82		1,60,110.02
Direct Taxes Paid (net)		-		(11,505.96)
Net Cash Flows from Operating Activities (A)		1,74,887.82		1,48,604.05
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Fixed Assets (Net)	(8,183.82)		(99,612.12)	
Interest Received	11,154.71		855.82	
Decrease in Non-Current Assets	(7,264.73)		7,240.18	
Change in CWIP	(35,254.39)		47,390.38	
Increase in long term loan and advance	(2,459.74)		-	
Net Cash Used in Investing Activities (B)		(42,007.97)		(44,125.75)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	-		-	
Proceeds from Long Term Borrowings	(7,241.28)		8,966.61	
Finance Charges	(39,490.04)		(35,493.59)	
		<u>(46,731.32)</u>		<u>(27,526.98)</u>
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)		<u>86,148.53</u>		<u>76,951.33</u>
Opening Balance of Cash and Cash Equivalents		<u>79,129.33</u>		<u>2,178.00</u>
Closing Balance of Cash and Cash Equivalents		1,65,277.86		79,129.33

Signature to Schedules 1 to 20
As per our Report of even date annexed
CHATURVEDI & COMPANY
Chartered Accountants
R. K. NANDA
Partner
Membership No. 510574
24 Park Street, Kolkata
14th August, 2013

For and on behalf of the Board of Directors

N. K. RAJGARHIA
Chairman & Managing Director

NILESH RAJGARHIA
Executive Director

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

I. Registration Details		
Registration No.	:	23119
State Code	:	21 (West Bengal)
Balance Sheet Date	:	31st March, 2013
II. Capital Raised during the year		(Amount in Thousands)
a) Public Issue	:	NIL
b) Right Issue	:	NIL
c) Bonus Shares	:	NIL
d) Private Placement	:	NIL
III. Position of Mobilization and Deployment of funds		
a) Total Liabilities	:	1028139
b) Total Assets	:	1028139
Source of Funds		
a) Paid up Capital	:	29428
b) Reserves & Surplus	:	286837
c) Secured Loans	:	125472
d) Unsecured Loans	:	626462
		<u>1026139</u>
Application of Funds		
a) Net Fixed Assets	:	258763
b) Investments	:	-
c) Net Current Assets	:	752354
d) Deferred Tax Assets / (Liabilities)	:	17022
e) Misc. Expenditure	:	-
		<u>1028139</u>
IV. Performance of Company		
a) Turnover (Incl. other income)	:	1356507
b) Total Expenditure	:	1351207
c) Profit/Loss Before Tax	:	5300
d) Profit/Loss After Tax	:	2483
e) Earning per share in Rs.	:	
d) Dividend rate %	:	NIL
V. Generic Name of Three Principal Products/Services of Company		
Item Code No. (ITC Code) :		7 2 1 1 5 9
Product Description :		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 D P L A T E D O R C O A T E D

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