

CHETAN & CO

CHARTERED ACCOUNTANTS

2-J, "PARK CENTRE", 2ND FLOOR

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Independent Auditors' Report

To
The Members of
Orient Steel & Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Orient Steel & Industries Limited** (hereinafter referred to as "**the Company**") which comprise the balance sheet as at 31st March 2019, the statement of profit and loss and the statement of cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended March 31, 2019 of Faridabad Unit audited by us as branch auditors of the Company.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report*, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (i) As referred in Note No.26 (6) to the accompanying financial statements, liability towards Leave encashment has not been determined by actuary and not provided for in the books of accounts in accordance with Accounting Standard (AS) 15 "Employee Benefits" on accrual basis and its consequential impact has not been ascertained at this stage;
- (ii) As referred in Note No.27(1)(iv) of the accompanying financial statements, no provision had been made against the dues of INR 354.28 Lacs (PY:423.73 Lacs) pending for realization from customers in the accounts as at 31st March 2019 for the reason stated therein. In absence of any corroborate evidences of the party we are unable to comment on the extent of realizability of these outstanding dues; and
- (iii) Note No.27(1)(v) of the accompanying financial statements, wherein balances of Trade payables of INR 1017.34 Lacs, Other current liabilities of INR 410.01 Lacs, Trade receivables of INR 1677.74 Lacs and Short-term Loans and advances of INR 85.60 Lacs as at 31st March 2019 have not been confirmed as such its consequential impact upon receipt of such confirmations/ reconciliation of such balances, if any is not ascertainable at this stage;

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and its Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there-under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and audit evidence obtained at Faridabad Unit audited by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the *Basis for Qualified Opinion* section of our report above, we have determined that there are no other key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, Management Discussion and Analysis Report, Report on CSR activities, Corporate Governance Report and other annexure to Directors Report including Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure-A**', a statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit *except as reported in Basis for Qualified Opinion* section of our report above.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance sheet, the Statement of profit and loss and the Statement of cash flows dealt with by this Report are in agreement with the books of account maintained at the Company.
 - d) *Except as reported in Paragraph 1 of the Basis for Qualified Opinion* section of our report above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as director under the sub-section (2) of Section 164 of the Companies Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure-B**'; and
- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No.27(1) (ii) of the accompanying financial statements]
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chetan & Co.**
Chartered Accountants
Firm Registration No. 321151E

Malaya Ray Chaudhuri
Malaya Ray Chaudhuri
Partner
Membership No.-053201

Place: Kolkata
Dated:-30th May 2019



"Annexure-A" to the Independent Auditors' Report

[Referred to in Paragraph 1 of "Report on Other Legal and Regulatory requirements" section of our Audit Report]

- (i) In respect of Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets were been physically verified by the Company's management during the year in accordance with the regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. According to the information and explanations given to us, no discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as per the management are held in the name of the company and title deeds have been mortgaged as security with bank for securing the loans taken by the Company of the Company.
- (ii) The inventories of the Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No such material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vi) Based on the information available and as explained to us, the cost records are maintained by the Company pursuant to the Rule made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and *prima facie*, the prescribed accounts and records have been made and maintained. However, a detailed examination of the records with a view to determine whether they are accurate or complete has not been done by us.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of books of account, the Company has been generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues as applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



(b) According to information and explanation given to us, there are statutory dues related to Central Sales Tax, which were arrear and have not been deposited as on 31st March 2019 on account of any disputes with the relevant authorities as under:-

Name of the Statute	Nature of Dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
CST Act, 1956	Sales Tax	0.42	2005-2006	Filed in Appellate and Revision Board, West Bengal on 15-12-2017

- (viii) In our opinion, according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks. The company has not issued any debenture during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the companies act, 2013.
- (xii) In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company as such provisions to paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as such provisions to paragraph 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chetan & Co.**

Chartered Accountants

Firm Registration No. 321151E

Malaya Ray Chaudhuri

Partner

Membership No.-053201

Place: Kolkata

Dated:-30th May 2019



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us, and based on our audit, in our opinion, the Company has generally maintained, in all material respects, an internal financial controls over financial reporting which were operating effectively as of 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India. However the Company has to improve its design deficiencies by way of identifying the significant account balances incorporating the process flow by which the financial transactions are initiated, authorized, processed, recorded, and reported, related accounting records, supporting information and events/conditions other than the transactions that are significant to the financial statements so as to fulfill objectives of control criteria established at Company. However, our opinion is not qualified in this respect.

For **Chetan & Co.**

Chartered Accountants

Firm Registration No. 321151E


Malaya Ray Chaudhuri

Partner

Membership No.-053201

Place: Kolkata

Dated: -30th May 2019



ORIENT STEEL & INDUSTRIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Note Ref.	As at March 31, 2019	As at March 31, 2018
I EQUITY & LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	1	2,94,28,000	2,94,28,000
b) Reserves & Surplus	2	30,06,94,314	27,55,86,452
2) Share Application Money Pending Allotment			
3) Non-Current Liabilities			
a) Long Term Loan	3	20,57,223	35,32,157
b) Deferred Tax Liabilities		-	-
b) Other Long Term Liabilities		-	-
c) Long Term Provision	4	1,55,83,309	1,35,59,073
4) Current Liabilities			
a) Short term borrowings	5	42,32,01,835	42,14,52,170
b) Trade Payables	6	10,17,34,361	7,90,37,690
c) Other current liabilities	7	4,22,13,835	2,44,33,986
d) Short-term provisions	8	53,65,566	88,68,872
		92,02,78,442	85,58,98,399
II ASSETS			
1) Non-Current Assets			
a) Fixed assets			
i) Tangible assets	9	41,35,95,695	43,31,72,868
ii) Capital Work in Progress		3,69,53,053	1,17,84,323
b) Non-Current Investments	10	500	500
c) Deferred Tax Assets(Net)	11	(45,73,902)	22,55,320
d) Long Term Loan and Advances	12	86,16,197	74,70,058
e) Other Non Current Assets	13	15,77,098	19,81,384
2) Current Assets			
a) Inventories	14	21,84,55,265	22,67,85,658
b) Trade receivable	15	16,77,74,737	12,02,16,678
c) Cash & cash equivalents	16	1,59,61,056	1,36,13,941
d) Short-term loans and advances	17	85,59,360	71,94,454
e) Other Current Assets	18	5,33,59,382	3,14,23,215
		92,02,78,442	85,58,98,399

Significant Accounting Policies
Additional Information

For Chetan & Co.
Chartered Accountants
Firm Registration No. 321151E

Nilesh Rajgarhia
Partner
Membership No. - 053201
Place : Kolkata
Date : 30th May 2019



For ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore Rajgarhia
Nawal Kishore Rajgarhia
Chairman & Managing Director
Din NO.00439689

Nilesh Rajgarhia
Nilesh Rajgarhia
Executive Director
Din No. 00439715



Aashika Banka
AASHIKA BANKA
M.No. - ACS36914

ORIENT STEEL & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	Note Ref.	As at March 31, 2019	As at March 31, 2018
INCOME			
Revenue from operations	19	60,84,78,920	48,64,44,425
Other income	20	2,32,27,782	2,63,22,195
		63,17,06,701	51,27,66,620
EXPENSES			
Cost of Material Consumed	21	33,71,37,983	29,44,80,785
Changes in inventory of work in progress/Finished Goods	22	2,25,29,188	84,83,088
Employee benefits expense	23	4,22,80,165	3,44,99,244
Finance costs	24	4,86,80,324	4,79,90,395
Depreciation and amortization expenses	9	2,55,70,981	3,21,38,049
Other Expenses	25	11,44,40,646	8,71,19,841
		59,06,39,287	50,47,11,402
Profit before Exceptional and Extraordinary items and Tax		4,10,67,415	80,55,218
Exceptional Items (Prior Period Adjustemt)		-	-
Profit before Extraordinary items and Taxes		4,10,67,415	80,55,218
Extraordinary Items		-	-
Profit before tax		4,10,67,415	80,55,218
Less Tax Expenses			
i. Current tax		91,30,331	10,80,150
ii. Deferred tax		68,29,222	52,25,486
iii. For earlier year		-	(11,90,019)
		-	-
Profit / (Loss) after Tax		2,51,07,862	29,39,600
Earnings per Share			
-Basic EPS		8.53	1
-Dilluted EPS		8.53	1
Significant Accounting Policies	26		
Additional Informations	27		

As per our report of even date attached

For Chetan & Co.

Chartered Accountants

Firm Registration No. B21151E

Partner
Membership no. - 053201
Place : Kolkata

Date : 30th May 2019



For ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore Rajgarhia
Chairman & Mangaing Director
Din NO.00439689

Nilesh Rajgarhia
Executive Director
Din No. 00439715



Aashika Banka

AASHIKA BANKA

N.No. - ACS 36914

ORIENT STEEL & INDUSTRIES LIMITED

Notes to Financial Statements

(Amount in Rupees)

Note:-1 Share Capital	As at March 31, 2019	As at March 31, 2018
a. Authorised:		
32,70,000 (P.Y: 32,70,000) Equity Shares of Rs. 10/- each	3,27,00,000	3,27,00,000
10,000 (P.Y 10,000) Preference Shares of s. 100/- each	10,00,000	10,00,000
	3,37,00,000	3,37,00,000
b. Issued & Subscribed Paid-up:		
26,53,200 (26,53,200) Equity Shares of Rs. 10/- each issued as fully paid up shares	2,65,32,000	2,65,32,000
2,89,600 (2,89,600) Equity Shares of Rs. 10/- each Issued as fully paid up bonus shares by Capitalisation of General Reserve	28,96,000	28,96,000
	2,94,28,000	2,94,28,000

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

(Amount in Rupees)

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	-	-	-	-
Outstanding at the end of the year	29,42,800	2,94,28,000	29,42,800	2,94,28,000

d. Terms/Rights attached to Equity Shares

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

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

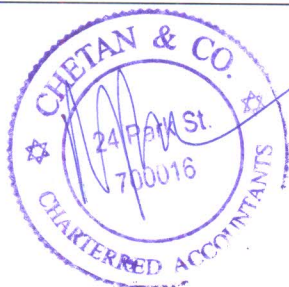
e. 63.16% of the equity shares of the company are held by the promoter group of the company

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

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No.	% holding	No.	% holding
Nawal Investment Pvt. Ltd.	4,70,740	16	4,70,740	16.00
Nawal Kishore Rajgarhia	3,20,150	11	3,20,150	10.88
Maroon Projects Pvt. Ltd.	4,84,400	16	4,84,400	16.46
Sujata Investments Limited	2,56,350	8.711	2,56,350	8.71
Rajkumari Rajgarhia	2,31,770	7.876	2,31,770	7.88
Nilesh Rajgarhia	2,22,900	7.574	2,22,900	7.57
Shuchi Rajgarhia	1,63,000	5.539	1,63,000	5.54

(Amount in Rupees)

Note:-2 Reserves & Surplus	As at March 31, 2018	As at March 31, 2017
a) General reserve	95,12,543	95,12,543
b) Capital reserve	-	-
C) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	26,60,73,909	26,31,34,310
Profit for the year	2,51,07,862	29,39,599
Balance at the end of the year	29,11,81,771	26,60,73,909
Sub Total(c)	29,11,81,771	26,60,73,909
TOTAL(a+b+c)	30,06,94,314	27,55,86,452



ORIENT STEEL & INDUSTRIES LTD.

Nilesh Rajgarhia
Executive Director

(Amount in Rupees)		
Note:-3 Long Term Loan	As at March 31, 2019	As at March 31, 2018
Secured:		
Vehicle Loan from Banks (Refer to Note Below)	20,57,223	35,32,157
TOTAL	20,57,223	35,32,157

Note :-

Nature of security and Terms of interest and repayment

Faridabad

(a) Vehicle loan from ICICI Bank is secured by way of hypothecaion of vehicle purchases. It carries interest rate of 10.75% and is reayable in 59 monthly installments. Last installement being due on December 15, 2018

(b) Vehicle loan from ICICI bank is secured by way of hypothecaion of vehicle purchases. It carries interest rate of 10.01% and is reayable in 60 monthly installments. Last installement being due on October 15, 2020

(c) Vehicle loan from Kotak Mahindra bank is secured by way of hypothecaion of vehicle purchases. It carries interest rate of 11.10% and is reayable in 60 monthly installments. Last instalment being due on March 01, 2021

Kolkata

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

(b) Vehicle Loan from Kotak Mahindra Prime Ltd. is secured by way of hypothecation by of vehicle purchase and It carries interest rate of 8.40% p.a and is repayable in 36 monthly instalments. Last instalment being due on 05.02.2021

(c) Vehicle Loan from Kotak Mahindra Prime Ltd. is secured by way of hypothecation by of vehicle purchase and It carries interest rate of 8.19% p.a and is repayable in 36 monthly instalments. Last instalment being due on 01.04.2020

(d) Vehicle Loan from Kotak Mahindra Prime Ltd. is secured by way of hypothecation by of vehicle purchase and It carries interest rate of 10.12% p.a and is repayable in 36 monthly instalments. Last instalment being due on 01.08.2018

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

(Amount in Rupees)		
Note:-4 Long Term Provision	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits:		
-For Gratuity	40,17,694	1,11,30,990
Provision for Taxation	1,15,65,615	24,28,083
TOTAL	1,55,83,309	1,35,59,073

(Amount in Rupees)		
Note: 5 Short - Term Borrowings	As at March 31, 2019	As at March 31, 2018
Secured Loan		
Cash Credit Loan from Banks (Refer to Note Below)	1,91,01,673	13,14,72,776
Unsecured Loan		
From Related parties		
- Directors	18,31,69,457	8,95,94,457
- Body Corporates	19,03,13,398	16,97,67,628
From Others	3,06,17,307	3,06,17,309
TOTAL	42,32,01,835	42,14,52,170

Note :-

a) Cash Credit Loans from UCO Bank Ltd. @ Bank Rate + 4%, Secured by hypothecation of Inventories, store and spares, book debts and o

b) Unsecured loan from Directors @ 10.00%P.A interest bearing INR 183169457 outstanding as on 31st March 2019

c) Unsecured loan from rest parties. @10.00% P.A interest bearing of INR 190313398 taken during the year, repayable on demand.

d) Unsecured loan from others @ 12.00% P.A Interest bearing INR 30617307 Outstanding as on 31st March 2019



ORIENT STEEL & INDUSTRIES LTD.

Nitesh R. Bhatnagar
Executive Director

Note:-6 Trade Payable	As at March 31, 2019	As at March 31, 2018
Sundry Creditors		
-Micro, Small and Medium Enterprises *	-	-
-Others **	10,17,34,361	7,90,37,690
TOTAL	10,17,34,361	7,90,37,690

* On the basis of information available with the company, there are no dues outstanding to Micro, Small and Medium Enterprises which are required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006.

** Others Sundry Creditors includes Acceptance against letter of credit and Letter of comfort Rs. 6,40,93,306, (Previous Year Rs Rs 6,40,93,306)

(Amount in Rupees)		
Note:- 7 Other Current Liabilities	As at March 31, 2019	As at March 31, 2018
Current maturities of Long Term Debt	15,06,178	22,10,313
Interest accrued but not due to Banks	5,42,855	-
Advances From Customers	1,11,37,221	12,69,411
Employee Benefits Payable	6,11,428	11,35,872
Security Deposit Received	50,00,000	50,00,000
Provision for Excise duty on Closing Stock of Finished Goods	-	-
Other Liabilities		
-Statutory dues payable	29,82,940	34,21,671
-Others	2,04,33,212	1,13,96,721
TOTAL	4,22,13,835	2,44,33,987

(Amount in Rupees)		
Note:- 8 Short Term Provision	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits:		
Unpaid Salary	7,402	7,402
Bonus	4,77,179	11,95,098
Leave Encashment	12,01,307	23,32,949
Gratuity	36,79,678	53,33,423
TOTAL	53,65,566	88,68,872

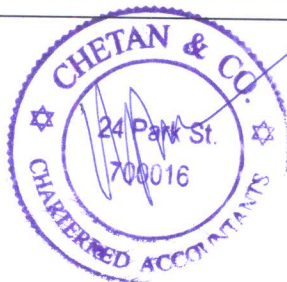
(Amount in Rupees)		
Note:-10 Non-Current Investments	As at March 31, 2019	As at March 31, 2018
In Government Securities (Unquoted) Post Office National Savings Certificate	500	500
TOTAL	500	500

Note11 :- Deferred Tax Assets /(Liability)

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

Particulars	(Amount in Rupees)		
A) Deferred Tax Liability	As at March 31, 2018	During the Year 2018-19	As at March 31, 2019
For Difference in WDV as per Companies Act & as per Income Tax Act	4,70,27,212	68,29,222	5,38,56,434
B) Deferred Tax Assets			
Disallowances of Expenditures	4,92,82,532		4,92,82,532
Net Tax Assets (B-A)	22,55,320	(68,29,222)	(45,73,902)

(Amount in Rupees)		
Note:-12 Long Term Loan and Advances (Unsecured, Considered Good)	As at March 31, 2019	As at March 31, 2018
Security Deposits	41,16,197	29,70,058
Capital advance	45,00,000	45,00,000
TOTAL	86,16,197	74,70,058



ORIENT STEEL & INDUSTRIES LTD.

Nitesh K. Jaiswal
Executive Director

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

SCHEDULE-9: FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01-Apr-18	Additions	Sales & Adjustment	Total as at 31-Mar-19	Upto 01-Apr-18	For the year	Adjustment	Upto 31-Mar-19	WDV 31-Mar-19	WDV 31-Mar-18
Tangible Assets:										
Land & Development	1,40,22,660			1,40,22,660	-	-		-	1,40,22,660	1,40,22,660
Leasehold Land	3,24,39,680			3,24,39,680	26,21,391	3,27,673		26,21,391	2,98,18,289	2,98,18,289
Building	1,93,62,237	42,41,549		2,36,03,786	27,76,462	19,89,434		47,65,896	1,88,37,890	1,65,85,775
Factory Shed & Building	6,57,82,046			6,57,82,046	2,83,81,933	47,130		2,84,29,063	3,73,52,983	3,74,00,113
Plant & Machinery	56,96,93,048	18,71,360		57,15,64,408	26,20,22,237	1,99,62,563		28,19,84,800	28,95,79,608	30,76,70,811
Office Equipment	31,66,944	1,48,373		33,15,317	24,75,544	1,13,937		25,89,481	7,25,836	6,91,400
Vehicles	1,63,92,448	-	8,17,681	1,55,74,767	90,46,099	16,88,361	5,26,993	1,02,07,467	53,67,300	73,46,349
Computer	19,28,458	2,63,893		21,92,351	16,50,391	90,064		17,40,455	4,51,897	2,78,067
Furniture & Fittings	49,41,438			49,41,438	36,63,406	63,501		37,26,907	12,14,531	12,78,032
Generator Set	3,08,48,558			3,08,48,558	1,27,67,185	12,88,318		1,40,55,503	1,67,93,055	1,80,81,373
Total of Tangible Assets (A)	75,85,77,517	65,25,175	8,17,681	76,42,85,011	32,54,04,648	2,55,70,981	5,26,993	35,04,48,636	41,41,64,049	43,31,72,869



ORIENT STEEL & INDUSTRIES LTD.
Nitesh K. Roy
Executive Director

(Amount in Rupees)		
Note:-13 Other Non-Current Assets (Unsecured, Considered Good)	As at March 31, 2019	As at March 31, 2018
Deposits with Government Department	15,77,098	19,81,384
TOTAL	15,77,098	19,81,384

(Amount in Rupees)		
Note:-14 Inventories * (Valued & Certified by the management)	As at March 31, 2019	As at March 31, 2018
Finished Goods	3,99,15,660	2,25,60,829
Work-in-Progress	3,51,39,981	7,59,51,870
Raw-material	10,74,54,819	9,19,61,606
Stores & Spares	3,37,20,804	3,50,15,223
Scrap	22,24,001	12,96,130
By Product	-	-
TOTAL	21,84,55,265	22,67,85,658

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

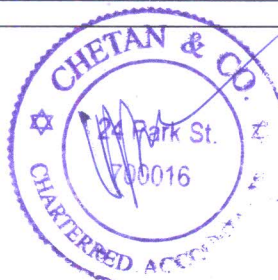
(Amount in Rupees)		
Note:- 15 Trade Receivables (Unsecured, Considered good, unless otherwise stated)	As at March 31, 2019	As at March 31, 2018
i. Outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, considered good	4,08,69,666	4,35,80,825
b) Unsecured, considered Doubtful	3,42,06,377	3,54,28,845
Less : Provision for doubtful debts	-	-
(A)	7,50,76,043	7,90,09,670
ii. Others debts (Unsecured, Considered good)	9,26,98,694	4,12,07,008
(B)	9,26,98,694	4,12,07,008
TOTAL (A+B)	16,77,74,737	12,02,16,678

(Amount in Rupees)		
Note:- 16 Cash & Cash Equivalents	As at March 31, 2019	As at March 31, 2018
i. Cash on hand	11,99,363	16,25,603
ii. Bank Balance;	-	-
a) In current Account	3,68,426	3,67,824
b) In Fixed Deposit account (maturity less than 3 months)	-	-
c) Escrow a/c	5,426	10,300
iii. Other Bank Balances		
-Fixed deposits with maturity less than twelve months held as margin money or security against the bank guarantees, Letter of credit, Letters of comfort, etc	1,43,74,592	1,15,96,964
-With Post Office Savings Bank Account	13,250	13,250
(Pass Book Pledged with collector of Central Excise)		
TOTAL	1,59,61,056	1,36,13,941

*Fixed deposits amounting to INR 14374592 (INR 1,4374592) which are lien with bank and the same are physically available with the bank.

(Amount in Rupees)		
Note:- 17 Short Term Loans & Advances (Unsecured, considered good, unless otherwise stated)	As at March 31, 2019	As at March 31, 2018
Advances recoverable in cash or in kind or for value to be received	57,11,176	64,34,011
Claim Receivable	-	1,89,750
Prepaid Expenses	7,05,510	5,70,693
Balances with Government authorities	21,42,674	-
TOTAL	85,59,360	71,94,454

(Amount in Rupees)		
Note :- 18 Other Current Assets	As at March 31, 2019	As at March 31, 2018
Accrued Interest on Fixed deposit & Security Deposit	-	4,89,278
Advance to suppliers	35,05,784	-
Advance Tax	45,00,000	30,00,000
TCS deducted by Party	63,941	-
Lease Rent Receivable	16,67,000	-
ITDS Deducted by Party (Asset)	63,17,550	35,73,790
GST Credit	3,72,83,662	2,26,26,614
Service tax input	21,445	-
TOTAL	5,33,59,382	3,14,23,215



ORIENT STEEL & INDUSTRIES LTD.

Nitesh K. Jain
Executive Director

(Amount in Rupees)

Note:-19 Revenue from Operations	As at March 31, 2019	As at March 31, 2018
Sales of Products :		
Finished Goods *	59,25,91,919	47,61,87,221
Scrap and By Products	1,36,66,800	76,87,307
	60,62,58,720	48,38,74,528
Sales of Services		
Job work charges	22,20,200	25,69,897
TOTAL	60,84,78,920	48,64,44,425

* Additional Information :-

Particulars of turnover of products manufactured/trading items :

Class of Goods	Current Year		Previous Year	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cold Rolled Mild Steel Strips			0	0
Cold Rolled Formed Sections of Mild Steel	219.035	18550575	16.92	1481680
Cold Rolled Formed Sections of Stainless Steel	1433.885	173586178.1	2119.65	230742016
Hot Rolled Mild Steel Strips			8.08	276336
Sheet Piles Z Type	814.165	56473422.5	620.06	35722647
Hot Rolled Stainless Steel Strips	0	0	0	-
Coach Parts SS	290.742	60560784.01	9	14,85,000
Sheet Piles Exports	20.58	1140980	180	86,59,750
SS sheet Corrugate Coach	7.66	2611000	0	1,18,484
Less-Sales Return Cold Rolled Formed Sections of Stainless Steel	-3.74	-310500		
Steel Casting	3483.55	27,99,79,480	1,417	19,77,01,308
Total	6273.357	59,32,12,919	2954.12	476187220.6

(Amount in Rupees)

Note:- 20 Other Income	As at March 31, 2019	As at March 31, 2018
Interest received from Bank	6,28,766	17,28,880
Interest received from Others	2,63,364	-
Miscellaneous receipts	33,22,922	20,07,582
Profit on sale of fixed assets	-	1,64,058
Lease Rent	1,53,25,645	2,00,04,000
Liability Written Back	-	-
Gain on exchange fluctuation	-	-
Discount received	-	-
Compensation of Land & Building	-	-
Wind Mill income	22,31,785	24,02,675
TOTAL	2,32,27,782	2,63,22,195

(Amount in Rupees)

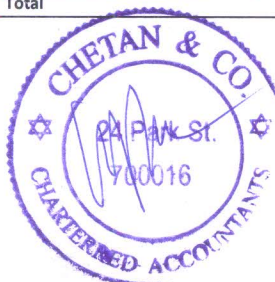
Note:- 21 Cost of Materials consumed*	As at March 31, 2019	As at March 31, 2018
Opening Inventory *	9,22,40,449	11,08,84,020
Add : Purchases of Raw materials	35,27,36,624	27,58,37,215
Less: Inventory at the end of year	10,75,60,247	9,22,40,449
Less. Goods Returned	-	-
TOTAL	33,71,37,983	29,44,80,785

* Additional Information :-

Analysis of Raw-materials and components consumed :

(Amount in Rupees)

Class of Goods	31st March, 2019		31st March, 2018	
	Qty. MT	Value Rs.	Qty. MT	Value Rs.
M.S. Scrap, C.I. Scrap, Sponge Iron etc.	1,878	7,34,65,736		5,23,08,815
Ferro Silicon	-	1,42,200	1	67,279
Ferro Manganese	-	1,41,87,989	296	2,31,11,250
Ferro Molly	-	1,214	-	-
Ferro Titanium	-	5,80,120	-	7,42,588
Sundry Raw Materials+boogie components	-	3,40,31,471	-	-
Silicon manganese	-	9,36,000	-	-
Hot Rolled Mild Steel Strips	-	-	-	13,97,500
Silicon Manganese	-	-	-	9,39,350
CRFS MS	1,022	3,94,94,936	769	3,16,01,545
CRFS SS	1,869	17,42,98,318	2,120	15,29,04,942
Bought out components		-		3,14,07,516
Total		33,71,37,983		29,44,80,785



ORIENT STEEL & INDUSTRIES LTD.

Executive Director

Note:- 22 Changes in Inventories of Finished Goods	As at March 31, 2019	As at March 31, 2018
Stock at the Opening of the year		
-Finished Goods	2,25,60,829	4,23,16,899
-Work-in-process	7,59,51,870	6,46,72,929
-By Product	-	-
-Scrap	12,96,130	13,02,090
Less: Stock at the end of the year		
-Finished Goods	3,99,15,660	2,25,60,829
-Work-in-progress	3,51,39,981	7,59,51,870
-By Product	-	-
-Scrap	22,24,001	12,96,130
Increase/(Decrease) in Stock	2,25,29,188	84,83,089

Note:- 23 Employee Benefit Expenses	As at March 31, 2019	As at March 31, 2018
Salaries & Wages, Bonus and Leave Salary	3,70,39,317	2,70,10,392
Contribution to provident fund and other funds	26,07,236	40,16,435
Staff Welfare Expenses	7,00,680	13,08,313
Gratuity	19,32,931	21,64,104
TOTAL	4,22,80,165	3,44,99,244

* Additional Information :- Refer Note No.27(4)

Note:- 24 Finance cost	As at March 31, 2019	As at March 31, 2018
Interest On Borrowings:		
-From Banks	64,70,166	98,83,505
-From Related parties	-	-
- Directors	1,40,70,689	85,40,051
- Body Corporates	-	-
-From Others	36,67,458	39,76,796
Other Borrowings Cost	2,44,72,011	2,55,90,043
TOTAL	4,86,80,324	4,79,90,395

Note:- 25 OTHER EXPENSES	As at March 31, 2019	As at March 31, 2018
Manufacturing Expense:		
Consumption of Stores	4,40,97,821	3,67,19,899
Power & Fuel	3,25,95,755	3,02,78,968
Repairs & Maintenance :		
-Building	10,47,296	6,94,673
-Plant & Machinery	12,16,055	14,60,494
Excise Duty including excise duty in change in inventory	92,937	5,63,728
Processing charges paid	49,45,570	16,57,540
Transportation Inwards	14,400	-
Entry tax	-	-
Selling and Distribution Expenses		
Freight, transport and handling charges	17,32,418	8,61,881
Advertisement	66,100	18,000
Rebate & Discount	-	-
Brokerage & Commission	7,84,588	23,645
Sales Tax Expenses	7,64,588	3,24,708
R & D Expenses	76,004	1,26,223
Administration Expense		
Repairs & Maintenance	2,33,028	4,28,940
Rent	2,65,185	2,29,281
Rates & Taxes	84,47,324	10,15,841
Insurance	1,47,482	2,61,988
Donation	67,300	53,100
Bank Charges	6,92,033	6,79,696
Auditor's Remuneration :		
-Audit Fee	1,86,980	1,86,980
-Tax Audit Fee	48,400	56,400
Printing & Stationery	3,42,389	2,87,328
Vehicle Maintenance	6,44,026	9,18,207
Traveling & Conveyance	32,69,317	34,42,817
Communication Expenses	#VALUE!	3,55,521
Legal & Professional Expenses	17,35,672	16,30,322
Duties & Taxes	-	4,90,339
Security Service Charges	6,10,953	5,54,272
Membership & subscriptions	5,47,545	5,65,639
Loss on sale of fixed asset	73,688	1,27,311
Telephone Expenses		
Postage & Telegram		
Bad debt	62,04,371	-
Preliminary expenses	2,197	-
Windmill Expenses	9,14,922	9,04,942
Miscellaneous Expenses	22,61,368	17,95,066
Total	11,44,40,646	8,71,19,841

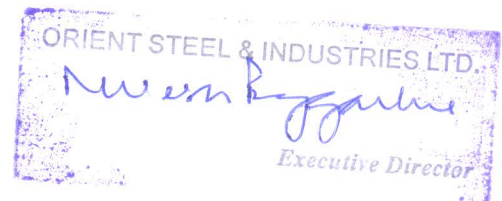
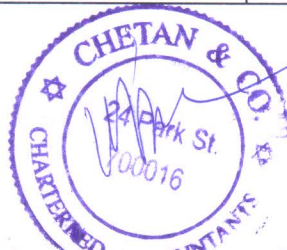
ORIENT STEEL & INDUSTRIES LTD.

Nulish R. Jagan
Executive Director



ORIENT STEEL & INDUSTRIES LIMITED
CASH FLOW STATEMENT

Particulars	2018-19 Amount(Rs)
Net Profit After Tax	(95,57,646)
Cash Flows from Operating Activities	
Add:	
Depreciation	35,44,756
Finance Charges	1,90,15,506
Provision for gratuity	450552
Loss on sale of Fixed Assets	-
Provision for bonus	2,69,209
Bad debts Written off	-
Sundry Balances Written Off	2,32,80,023
Less:	
Deferred tax	
Wind Mill Income	
Lease Rent	
gratuity Paid	(5,71,214)
Interest Received	(2,37,187)
Leave encashment paid	(70,533)
Provision for Unpaid salary	
Bonus paid	(2,95,126)
Liability Written back	-117109.99
Profit on sale of Fixed Assets(Net)	-
Operating Profit before Working Capital Changes	2,19,88,853
Changes in Assets and Liabilities	
Add:-	
Increase in Trade Payables	54,34,218
Increase in Other current Liabilities	73,03,790
Increase in Short Term Borrowings	6,81,17,521
Decrease in Inventories	2,21,63,483
Increase in Deffered Tax Liability	68,29,222
	10,98,48,235
Less:-	
Increase in Other Current Assets	(72,95,322)
Increase in Short Term Loan and Advances	7,13,142
Increase in Other Non Current Assets	4,04,286
Increase in Trade Receivables	(1,64,59,431)
Decrease in Short Term Provision	
Decrease in Provision for Taxation	-
Decrease in Deffered Tax Assets	
Increase in Long Term Loan and Advances	(10,95,219)
	(2,37,32,545)
Cash Generated from Operations	9,85,46,897
Direct Taxes Paid (Net)	91,30,331
Net Cash Flows From Operating Activities (A)	10,76,77,228
Cash Flows From Investing Activities	
Purchase/Sale of Fixed Assets (Net)	87,970
Loss on sale of Fixed Assets	-
Wind Mill Income	(8,80,92,007)
Profit on Sale of Fixed Asset	-
Interest Received	2,37,187
Increase/(Decrease) in long term loan and advances	-
(Increase)/Decrease in Non-Current Assets	-
Net Cash Used In Investing Activities(B)	(8,77,66,850)
Cash Flows From Financing Activities	
Net Proceeds/(Repayment) of Long Term Borrowings	(11,81,397)
Finance Charges	(1,90,15,506)
Net Cash Flows From Financing Activities (C)	(2,01,96,903)
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	(2,86,526)
Opening Balance of Cash and Cash Equivalents	57,08,900
Closing Balance of Cash and Cash Equivalents	54,22,374



ORIENT STEEL & INDUSTRIES LTD.
2, Brabourne Road, Kolkata- 700001

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

SCHEDULE - 26 : SIGNIFICANT ACCOUNTING POLICIES

1) **System of Accounting :**

The Accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated. For recognition of Profit & Losses, Mercantile System of Accounting is followed.

2) **Fixed Assets:**

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

3) **Excise Duty :**

- a) Excise Duty is charged to Accounts Net of Modvat at W.B. Unit and MODVAT on inputs has been adjusted in respective consumption Account and that on Fixed Assets in respective fixed assets account at C.R.M. (Faridabad).
- b) Excise Duty payable on Closing Stock of Finished Goods is provided for in the Accounts and consequently considered for valuation of Closing Stock of Finished Goods.

4) **Investment :**

Investments are stated at cost, unless there is a permanent decline in value thereof, in which case adequate provision is made against the diminution in the valued of investments.

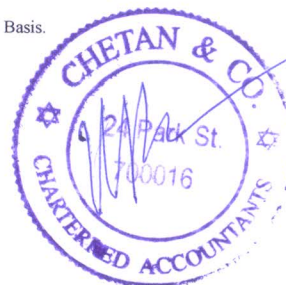
5) **Inventories :**

Inventories cost has been arrived at in case of --

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

6) **Employee Benefits :**

- a) Retirement benefit in the form of contribution to provident fund is accounted for on accrual basis and charged to the statement of profit & loss.
- b) Liability in respect of gratuity to employees is provided for on the basis of actuarial valuation.
- c) Encashment of leave is accumulated while in service is at the option of the employees and is accounted for on Cash Basis.



7) **Contingent Liabilities :**

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

8) **Sales/Revenue Recognition :**

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

9) **Foreign Currency Transaction :**

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

10) **Borrowing Cost :**

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

11) **Taxes on Income :**

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

12) **Lease**

Finance lease or similar arrangements, which effectively transfer to the company substantially all the risks and return incidental to ownership of the leased items are capitalised and disclosed as leased assets. Finance charges in the form of interest are charged to the Statement of Profit and Loss.



Schedule 27: ADDITIONAL INFORMATION

1) CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER ADDITIONAL INFORMATION

i) Capital Commitments:

There is no Capital Commitments during 2018-19

ii) Contingent Liabilities :

A) Counter guarantees given to Bankers against guarantees given by them on behalf of the Company and remaining outstanding as on 31.03.2019 amounts to Rs. 40840425(41114911) and Letter of Credit remaining outstanding as on 31.03.18 amounts to Rs.64093306 (Rs. 54598853)

B) Demand of Sales Tax/Purchase Tax Rs 42940 (Rs..42940), against which no provision has been made in the current year.

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

iv) (i) In Faridabad Unit, Trade Receivable includes due of Rs 4,11,50,162 pending for recovery since long and management is pursuing all these customers for ultimate recovery. Out of the same trade receivable of Rs.3,42,06,377 (Previous year Rs. 3,42,06,377), recovery of which is doubtful, against which legal action for recovery has been initiated by the Company which has been decided in favour of the company by Special Commercial Court (Haryana) Gurugram vide order dated 11th December, 2017 and the party appealed before High Court, Chandigarh. However no provision has been made against the said amount as the management is pursuing the matter with the parties for recovering the amount and in the opinion of the management the amount is recoverable.

(ii) In Kolkata Unit, Trade Receivable as on 31.03.2019 is Rs 14132281/- are unsecured and considered good except to the tune of Rs 12,22,468 /- which is due since more than 1 year and are doubtful for which no provision is made there against as the management is pursuing the matter with the parties for recovering the amount. However no provision has been made against the said amount as the management is pursuing the matter with the parties for recovering the amount and in the opinion of the management the amount is recoverable.

v) Balances of Short term borrowings of Rs. 423201835, Trade payables of Rs. 101734361, Other current liabilities of Rs. 41001200, Trade receivables of Rs. 167774737, Cash and Cash equivalents of Rs. 15961056 and Short-term Loans and advances of Rs. 8559360 as at 31st March 2019 appearing in the balance sheet are subject to confirmations.

vi) Rebate & Short recoveries include write off, short recoveries, transit losses, liquidated damages and rebate allowed on sale of earlier years.

vii) Profit/Loss on Sale of Raw Materials, Stores and Spares remains adjusted in their respective consumption accounts.

2) Segment Reporting :

The Company is engaged in manufacturing of Iron and Steel products and the operations are mainly in India. The Company has windmill division/ power generation at the state of Karnataka and also having income from windmill division. As per the requirement of Paragraph 27 of AS-17 "Segment Reporting" revenue from such business and segment results as well as segment assets related to such windmill division does not meet the criteria of separate reporting and hence do not qualify as separate reportable segment. No disclosure have been given under AS-17 being all business is related to Iron and Steel manufacturing.

3) Related Party Disclosure :

A) List of Related Parties :

i)

Key Management Person

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

ii)

Other Related Parties :

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

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



B) Details of transactions/ outstanding balances : 2018-19 2017-18
(Amount in Rs.) (Amount in Rs.)

i) With Key Managerial Personnel

Remuneration Paid	65,88,000.00	63,24,000
Directors' Fees	30,000.00	20,000
Payment for Services	4,20,000	4,20,000
Loan Taken	11,51,16,764	4,81,55,000
Loan Paid	2,49,68,034	1,90,28,747
Interest Paid	1,17,01,713	76,86,046
Balance outstanding Receivable/(payable) as on 31.03.2019	32,38,55,697	8,95,94,457

ii) Enterprises where the key management personnel having significant control/influences

	2018-19 (Amount in Rs.)	2017-18 (Amount in Rs.)
Loan Taken	184800000	177320000
Loan Paid	4254230	2584860
Interest Paid	37472088	16982410
Balance outstanding	35,40,07,425.00	97,67,628.00

4) Employee benefit Expense

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

Defined Contribution Plan:

	2018-19 (Amount in Rs.)	2017-18 (Amount in Rs.)
Employer's contribution to provident fund	21,03,180	2,70,10,392

Defined Benefit Plan:

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

The Financial Assumptions employed for the calculations are as

	2018-2019	2017-2018
Discount Rate	7.10%P.A	6.88%P.A
Rate of Increase Salaries	5.00%P.A	5.00%P.A
Withdrawal Rate	2.00%P.A	2.00%P.A
Mortality	IALM 2006-08 Ultimate	

Note: Due to absence of detailed information in actuarial valuation of Kolkata Unit, the complete disclosure as per Actuary's certificate for employee benefits for Gratuity such as movement in liability recognised in balance sheet, Sensitivity analysis of defined benefit obligation, fair value of plan assets, etc could not be disclosed above.



- 5) In the absence of necessary information with the Company, relating to the registration status of suppliers under Micro, Small and Medium Enterprises Development Act, 2006, the information under the said Act could not be compiled and disclosed.

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

Profit after Tax

Weighted average number of equity share outstanding during the year

Face Value Rs.10/-

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

2018-19 (Amount in Rs.)	2017-18 (Amount in Rs.)
2,48,89,124	29,39,600
29,42,800	29,42,800

Rs. 8.46 Rs. 1.00

7) **Additional Information pursuant to provision of Paragraph ii(a) and ii(e) of Part II of Schedule III of the Companies Act, 2013.**

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

Class of Goods	Unit of Qty.	Licensed Capacity	Installed Capacity as certified by management	Actual Production 2018-19		Opening Stock as on 01.04.2018		Closing stock as on 31.03.2019	
				2018-19 Qty	2017-18 Qty	Qty	Value (Rs)	Qty	Value (Rs)
Steel Casting	MT	24,000	24,000	3574.41	1410.927	85.140	1,10,76,900	176.000	22,00,000
Steel Shots & Grits	MT	4,200	4,200	-	-	-	-	-	-
Cold Rolled Steel Strips	MT	10,000	13,000	-	-	-	-	-	-
Cold Rolled Mild Steel Strips	-	-	-	-	-	-	-	-	-
Cold Rolled Stainless Steel	-	-	-	-	-	-	-	-	-
Strips	-	-	-	-	-	-	-	-	-
Hot Rolled Steel Strips	MT	40,000	75,000	-	-	-	-	-	-
Hot Rolled Mild Steel Strips	-	-	-	-	-	0.615	21,033	1.000	21,033
Hot Rolled Stainless Steel	-	-	-	-	-	-	-	-	-
Cold Rolled formed section	MT	36,000	36,000	-	-	-	-	-	-
Sheet piles Z type	-	-	-	-	-	-	-	-	-
Mild Steel Sections	MT	36,000	-	1045	677.900	138.740	73,53,220	130.000	71,78,600
Stainless Steel Sections	-	-	-	1964	1,977.568	45.192	41,09,676	277.000	3,05,16,027
Total							2,25,60,829		3,99,15,660

Notes :

- 1) After de-control, licence is not required for any of the products of the Company. Licensed capacity given is as per licence originally granted.
- 2) Plant has run partly on single shift and partly on double shift basis.
- 8) A) Particulars of turnover of products manufactured/trading items :

Class of Goods	2018-19		2017-18	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cold Rolled Mild Steel Strips	-	-	-	-
Cold Rolled Formed Sections of Mild Steel	219.035	1,85,50,575	16.920	14,81,680
Cold Rolled Formed Sections of Stainless Steel	1433.885	17,35,86,178	2119.650	23,07,42,016
Hot Rolled Mild Steel Strips	-	-	8.080	2,76,336
Sheet Piles Z Type	814.165	5,64,73,423	620.060	3,57,22,647
Hot Rolled Stainless Steel Strips	-	-	-	-
Coach Parts SS	290.742	6,05,60,784	8.680	14,85,000
Sheet Piles Exports	20.580	11,40,980	180.250	86,59,750
SS sheet Corrugate Coach	7.660	26,11,000	0.480	1,18,484
Less-Sales Return Cold Rolled Formed	(3.74)	(3,10,500.00)		
Total		31,26,12,440		27,84,85,913

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



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

Class of Goods	2018-19		2017-18	
	Rupees	Percentage	Rupees	Percentage
Raw Materials :				
Indigenous	33,71,37,983	100.00	29,44,80,785	100.00
Imported	-	-	-	-
	33,71,37,983	100.00	29,44,80,785	100.00
Stores/Spares :				
Indigenous	4,40,97,821	100.00	3,67,19,899	100.00
Imported	-	-	-	-
	4,40,97,821	100.00	3,67,19,899	100.00

C) Expenditure in foreign currency :

Travelling Expenses

D) Earning in foreign exchange :

FOB Value of Goods Exported

E) Class of Goods :

Raw Material

31st March, 2019	31st March, 2018
NIL	NIL
NIL	NIL
28,26,94,584	28,26,94,584

9) In accordance with "Accounting Standard 19-Accounting for Lease", the company has given Asset on Operating Lease. The disclosures area as follows:

	(Amount in Rs.)		
	Plant and Machinery	Building	Generator Set
Gross Carrying amount as on March 31, 2019	17,03,20,946	3,45,60,796	10,54,330
Accumulated depreciation as on March 31, 2019	13,33,44,751	1,54,49,781	10,19,928
Depreciation for the year 2018-19	34,92,169	8,15,402	-

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

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

Lease income recognized in the statement of Profit and loss for the year is Rs. 200.04 Lakhs.

Leasing Arrangement clause:

- Lease term is for 24 Months basis.
 - At the end of the lease period following options would be offered to us:
 - Terminate the lease and return the equipment.
 - Renew the Lease for secondary period.
- Operation of the Serampore Unit remained suspended during the year.
 - Windmill income as appearing in Note: 20 refers to the original monthly bills raised during the year 2017-18 and the entire amount is pending to be realized as at the date of balance sheet. As per the Article 6 of PPA agreement with Hubli Electricity Supply company limited, the company was required to raise surcharge bills for non payment. However, no surcharge bill for non payment was raised as well as recognised due to non realisation of original bills amount.
 - Figures in brackets are for previous year. Previous year's figures have been regrouped or re-arranged wherever found necessary.

For Chetan & Co.

Chartered Accountants

Firm Registration No. 321151E

Malaya Ray Chaudhuri

Partner

Membership No. 053201

For and on behalf of the Board

of ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore Rajgarhia Nilesch Rajgarhia

Chairman & Executive Director

Managing Director

Place : Kolkata

Date 30th May 2019

DIN No.00439689

DIN No. 00439715



Aashika Banka

AASHIKA BANKA

N.No. - ACS 36914