

Corporate Governance Report

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Orient culture and ethos.

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 2019-2019. 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 proper 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, 2019, the Board of Orient Steel & Industries Limited consisted of 6 (Six) 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/ LLP	No. of Membership/ Chairmanship in various Board Committees in other Companies
Nawal Kishore Rajgharia	Managing Director	Promoter	320,150	7	Nil
Shuchi Rajgarhia	Director	Promoter	163,000	2	Nil
Nilesh Rajgarhia	Whole-time Director	Promoter	222,900	8	4
Pavan Kumar Poddar	Director	Independent	Nil	10	Nil
Binod Kumar Jeloka	Director	Independent	Nil	2	Nil
Mukesh Banka	Additional Director	Independent	Nil	9	Nil

Board Meeting and Attendance:

During the year 2018-2019, the Board met 4 (Four) times on the following dates: 30/05/2018, 14/08/2018, 14/11/2018 and 14/02/2019. The gap between any two meetings has not been more than 120 days. The dates of the meeting were decided well in advance.

Composition of the Board and attendance record of Directors for 2018-2019:

Name of Director	Meeting attended	Whether attended E.G.M.	Whether attended last A.G.M.
Nawal Kishore Rajgharia	4	N/A	Yes
Shuchi Rajgarhia	4	N/A	Yes
Nilesh Rajgarhia	4	N/A	Yes
Pavan Kumar Poddar	4	N/A	Yes
Binod Kumar Jeloka	4	N/A	Yes
Mukesh Banka	4	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 exceeds 120 days 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, 2013. The draft minutes of the proceedings of each Board meeting duly initialed by the Chairman are places 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, an 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 SEBI (Listing Obligation & Disclosure Requirements), 2015 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 Mr. Binod Kumar Jeloka, Independent Director, as Chairman of the Committee. The terms of Reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and SEBI (Listing Obligation &

Disclosure Requirements) 2015. The Committee has met 4 (Four) times during the year and attendance of the members at these meetings was as follows:-

Name of Director		Status	30/05/2018	14/08/2018	14/11/2018	14/02/2019
Nawal Rajgarhia	Kishore	Managing Director	Y	Y	Y	Y
Binod Jeloka	Kumar	Independent Director	Y	Y	Y	Y
Pawan Poddar	Kumar	Independent Director	Y	Y	Y	Y

The terms of reference of the audit committee includes the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- e. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- f. Changes, if any, in accounting policies and practices and reasons for the same
- g. Major accounting entries involving estimates based on the exercise of judgment by Management
- h. Significant adjustments made in the financial statements arising out of audit findings
- i. Compliance with listing and other legal requirements relating to financial statements
- j. Disclosure of any related party transactions
- k. Qualifications in the draft audit report
- l. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- m. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- n. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- o. Approval or any subsequent modification of transactions of the company with related parties;
- p. Scrutiny of inter-corporate loans and investments;
- q. Valuation of undertakings or assets of the company, wherever it is necessary;
- r. Evaluation of internal financial controls and risk management systems;
- s. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- t. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- u. Discussion with internal auditors of any significant findings and follow up there on;

- v. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- w. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- x. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- y. To review the functioning of the Whistle Blower mechanism;
- z. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company had a Shareholders/ Investors Grievance Committee of Directors to look into the redressal of complaints of Investors such as transfer or credit of shares, non-receipt of Dividend/ Notices/ Annual Reports, etc. The nomenclature of the said committee was changed to Stakeholders' relationship committee in the light of provisions of the Act and SEBI (Listing Obligation & Disclosure Requirements) 2015.

The Share Transfer/ Investors' Grievance Committee comprises of 3 Directors headed by, Mr. Pawan Kumar Poddar, as the 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 Mr. Nawal Kishore Rajgarhia and Mrs. Shuchi Rajgarhia.

Role and Objectives

The role and objectives of the committee are as under:

- Oversee 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, 2018 to March 31, 2019, are as under:

Sl. No.	Type of Complaint	Pending as on 01.04.2018	Total Complaints Received	Complaints Redressed	Redressal under Process	Pending as on 31.03.2019
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
2017-2018	29/09/2018	2, Brabourne Road, 5 th Floor, Kolkata-700001	10.30 A.M.
2016-2017	20/09/2017	2, Brabourne Road, 5 th Floor, Kolkata-700001	10.30 A.M.
2015-2016	30/09/2016	2, Brabourne Road, 5 th Floor, Kolkata-700001	03.00 P.M.

G. NOMINATION AND REMUNERATION COMMITTEE

In pursuant to rules and regulation laid down by listing agreement and companies act for listed companies it is required to formulate a nomination and remuneration committee.

The Nomination and Remuneration Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statute, rule and regulation which the Committee deems relevant, make recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensure 'fit and proper' status of the existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time, and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the Listing Agreement with the Stock Exchanges.

The Committee comprises Mr. Binod Kumar Jeloka, and Mr. Pavan Kumar Poddar Independent Directors, Mrs. Shuchi Rajgarhia, Director who acts as Member and Mr. Binod Kumar Jeloka acts as a Chairman of the Nomination and Remuneration Committee. Meetings of the Nomination and Remuneration Committee of the Company were held on 14/08/2018 and 14/02/2019. The Nomination and Remuneration Committee at its said meetings discussed and approved various matters.

The Nomination and Remuneration Committee is primarily responsible to:

- i) Identify potential candidate to become Board Member.
- ii) Recommending nominee for various committees of the Board
- iii) Ensuring that appropriate procedures are in place to assess Board's effectiveness.
- iv) Developing an annual evaluation process of the Board and its committee
- v) Formulation of criteria for evaluation of Independent Directors and the Board.
- vi) Any other matter referred to the Nomination and Remuneration Committee by the Board of Directors of the Company.

H. INSIDER TRADING CODE:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company have formulated 'Orient Code of Conduct for Prohibition of Insider Trading' (Orient Insider Code) in the shares and securities of the Company by its Directors and Designated Employees. Mr. Nilesh Rajgarhia, is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Orient Code of Conduct for Prohibition of Insider Trading.

The Securities and Exchange Board of India (SEBI) has vide its Notification dated January 15, 2015 published SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015) which provides for stronger legal and enforcement framework for prevention of insider trading and that the SEBI (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed. The PIT Regulations, 2015 shall come into force on the one hundred and twentieth day from the date of its publication in the Official Gazette i.e. with effect from May 15, 2015 approximately.

I. INDEPENDENT DIRECTORS MEETING

In terms of Section 149 of the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors held on February 14, 2019 without the presence of the Managing Director, or any management team. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The Meeting was held to discuss:

- a) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- c) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

J. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Company has formulated a codified Whistle Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

The Company affirms that none of the employees have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

K. 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", in the Note to the Annual Audited Accounts of the Company for the year ended 31st March, 2019 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.
- Directors' certification, on financial statements has been issued pursuant to the provisions of SEBI (Listing Obligation & Disclosure Requirements) 2015 and is annexed to the Corporate Governance and forms part of Annual Reports.

L. MEANS OF COMMUNICATION

The comply with the requirement of SEBI (Listing Obligation & Disclosure Requirements) 2015, 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 Report of the Auditors.

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

M. MANDATORY REQUIREMENT

The Company has complied with the mandatory requirements as stipulated in SEBI (Listing Obligation & Disclosure Requirements) 2015

N. COMPLIANCE WITH NON MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) 2015

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

O. 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 SEBI (Listing Obligation & Disclosure Requirements) 2015.

P. GOING CONCERN

The directors 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.

Q. ADDITIONAL SHAREHOLDER INFORMATION

1.	Registered & Corporate Office	:	2, Brabourne Road, 5 th Floor, Kolkata-700001, West Bengal.
2.	Date of Incorporation	:	08/06/1956
3.	Registration Number/ CIN	:	L27109WB1956PLC023119
4.	Email Id for Investor Grievances	:	mailto:accounts@orientsteel.com
5.	Date, Time and venue of A.G.M.	:	AGM will be held on 29/09/2019 at 2, Brabourne Road, 5 th Floor, Kolkata-700001 at 11:00 A.M.
6.	Date of Book Closure	:	14/09/2019 TO 20/09/2019
7.	Tentative Financial Calendar For the year 2018-2019: 1st Quarter Results & Limited Review 2nd Quarter Results & Limited Review 3rd Quarter Results & Limited Review Un-audited Annual Results (2018-2019) Audited Annual Results (2018-2019)	:	Mid July, 2018 Mid November, 2018 Mid February, 2018 Mid May, 2019 May, 2019
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, 2018 to March 31, 2019
10.	Listing Payments	:	Upto Date
11.	Listing on Stock Exchanges	:	Calcutta Stock Exchange Limited
12.	Stock code	:	N.A.
13.	Scrip Code	:	025008

14.	Registrar and Share Transfer Agent	:	ABS Consultants Pvt. Ltd.		
15.	Stock Market Date	:	There has been no trading in the shares of The Company at The Calcutta Stock Exchange Limited during the year.		
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 31.03.2019:				
	Slab of Shareholding	No. of Shareholding	% of Shareholders	No. of Shares Held	% of Shares Held
	Upto 500	7438	0.25	0.00	0.00
	501-1000	1430	0.05	0.00	0.00
	1001-2000	3512	0.12	0.00	0.00
	2001-3000	6000	0.21	0.00	0.00
	3001-4000	0	0	0.00	0.00
	4001-5000	8588	0.29	0.00	0.00
	5001-10000	21200	0.72	0.00	0.00
	10001 & above	2894632	98.36	0.00	0.00
	Total	2942800	100.00	0.00	0.00
19.	Shareholding pattern as on 31.03.2019:				
	Shareholding Pattern	Number of Shares	% of Shareholding		
	Indian Promoters	1858570	63.16		
	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 (Public)	1057512	35.94		
	Resident Individuals (Public)	26718	0.90		
	Grand Total	2942800	100%		
20.	Addresses for Investor correspondence:				
	Registered Office	:	2, Brabourne Road, 5 th Floor, Kolkata-700001, West Bengal		
	E-mail address	:	accounts@orientsteel.com		
	Website	:	www.orientsteel.com		

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

According to the Listing Agreement, certificate concerning the financial statements for the financial year ended 31st March, 2019, including the Cash Flow Statement was given jointly by Mr. Binod Kumar Jeloka, Chairman of the Audit Committee and Mr. Nawal Kishore Rajgarhia, Managing Director.

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

To:

The Members of
Orient Steel & Industries Ltd.
2 Brabourne Road,
5th Floor,
Kolkata- 700001

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, 2019 and to the best of 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: 30/05/2019

Place: Kolkata

(Binod Kumar Jeloka)
Independent Director
Chairman-Audit Committee

(Nawal Kishore Rajgarhia)
Managing Director

To:
The Members of
Orient Steel & Industries Ltd.
2 Brabourne Road,
5th Floor,
Kolkata-700001

I, Nawal Kishore Rajgarhia, Managing Director, hereby declare that to the best of my knowledge and belief, all members of the Board of Directors and Senior Management Personnel have confirmed compliance with Company's Code of Conduct for the year ended 31st March 2019.

Thanking You,

Yours truly

(Nawal Kishore Rajgarhia)
Managing Director
DIN No.: 00439689

Date: 30/05/2019
Place: Kolkata

