

ORIENT STEEL & INDUSTRIES LTD.

DIRECTORS' REPORT

Your Directors present herewith their 57th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

<u>FINANCIAL RESULTS</u>	2013-2014 (Rs. In lakhs)	2012-2013 (Rs. In lakhs)
Total Income	14346.21	13395.18
Gross Profit/(Loss)	9.73	53.00
Depreciation	193.59	182.47
Profit/(Loss) before Tax	9.73	53.00
Provision for Taxation - Current	(1.94)	(15.40)
Provision for Tax - Deferred	(6.08)	(12.77)
Provision for Wealth Tax	(0)	(0)
Income Tax relating to earlier year	(0)	(0)
Profit/(Loss) after Tax	(0.44)	24.83
Profit/(Loss) brought forward	1291.44	1266.61
Amount available for appropriation	1291.00	1291.44

APPROPRIATIONS

Proposed Dividend	-	-
Provision for Corporate Dividend Tax	-	-
Transfer From General Reserve	-	-
Balance Carried forward	1291.00	1291.44
	1291.00	1291.44

DIVIDEND

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

OPERATION

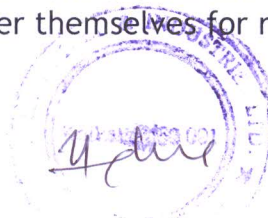
The Directors are pleased to inform that the Company has registered increase of turnover of Rs.143.46 Crore as against Rs.133.95 Crore achieved last year.

However, on account of cost cutting and other measures, the Company has been able to make pre-tax profit of Rs.9.73 lakhs as against Rs.53.00 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 Pavan Kumar Poddar, Shri Binod Kumar Jeloka and Shri Vijay Kumar Garg 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 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.



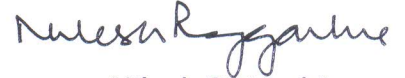
ACKNOWLEDGEMENTS

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.

Kolkata,
Dated : 3rd September, 2014.

For and on behalf of the Board



Nilesh Rajgarhia
Executive Director

ORIENT STEEL & INDUSTRIES LTD.

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.

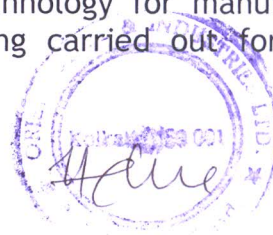
POWER & FUEL CONSUMPTION

	<u>2013-2014</u>	<u>2012-2013</u>
1. Electricity		
i) Purchased		
Units (KWH)	7821985	7728839
Total Amount	57692569	50753049
Rate / Unit	7.38	6.57
ii) Own Generation through our Generator		
Units	-	-
Units per ltr. Of Diesel Oil	-	-
Rate / Unit	-	-
2. Coal/Coke		
Quantity (Kgs.)	6237250	740820
Total Cost	47140325	49144316
Average Rate	7.55	6.63
3. Furnace Oil / Diesel Oil		
Quantity (Ltr.)	133410	900487
Total Cost	7013531	19681248
Average Rate	52.57	21.85
4. Furnace Oil / Diesel Oil		
Quantity (Ltr.)	96800	20000
Total Cost	4031348	804400
Average Rate	41.65	40.22

B. TECHNOLOGY ABSORBTION, ADOPTATION AND 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

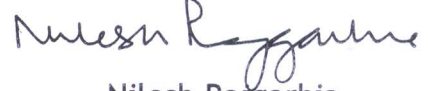
	(Rs.)
(a) Capital	1893544
(b) Recurring	94000
(c) Total	1987544

C. FOREIGN EXCHANGE

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

Kolkata,
Dated : 3rd September, 2014.

For and on behalf of the Board



Nilesch Rajgarhia
Executive Director