

CHETAN & CO

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s. Orient Steel & Industries Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Faridabad Unit of Orient Steel & Industries Limited ("the Unit")**, which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2020.

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 Unit as at March 31, 2020, and its profit for the year ended on that date.

Basis for Qualified Opinion

- i. As referred in Note No. 27 (1) to the accompanying financial Statement, no provision had been made against the dues of INR 335.80 Lacs (PY: 342.06 Lacs) pending for realization from customers in the accounts as at March 31, 2020 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
- ii. As referred in Note No. 27 (6) to the accompanying financial Statement, wherein balances of Trade payables of INR 689.59 Lacs, Other Current Liabilities of INR 672.50 Lacs, Trade receivables of INR 1977.25 Lacs and Short Term Loans and advances of INR 33.61 Lacs as at March 31, 2020 has not been confirmed as such its consequential impact upon receipt of such confirmation/reconciliation of such balances, if any is not ascertainable at this stage;

We further report that the overall impact of matters mentioned under aforesaid paragraph, 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 unit 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 thereunder 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 is sufficient and appropriate to provide a basis for our 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. We have determined that there are no key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p><u>Modified Audit Procedures carried out in light of COVID-19 outbreak:</u></p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit wherever physical access was not possible, audit could not be conducted by visiting the Units/Regional Sales offices. As we could not gather audit evidence in person/ physically/ through discussions and personal interactions with the officials at the Units/Regional Sales offices, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit at head office.</p> 	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Units/Regional Sales offices and carry out the audit processes physically at the respective Units/Regional Sales offices. Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us at head office by the management of the respective Units/ Regional Sales offices through E-Mail and to the extent generated from the system. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us on which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> Conducted verification of necessary records/ documents/Trial Balances and other relevant application software electronically through remote access/emails in respect of Units/Regional Sales offices wherever physical access was not possible. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Unit. Making enquiries and gathering necessary audit evidence through telephonic communication and e-mails.

Management Responsibility for the Financial Statements

The Unit's management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of Unit in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Unit 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.

In preparing the financial statements, the management is responsible for assessing the Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Management are also responsible for overseeing the Company's financial reporting process.

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 Unit 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 Unit'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 Unit 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

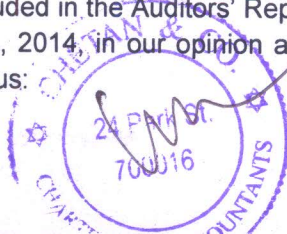
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Companies Act, 2013, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Unit so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained at the Unit.
 - 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, 2020, and taken on record by the Management, none of the directors is disqualified as on 31st March, 2020 from being appointed as director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Unit and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-B**";
 - 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 Unit does not have any pending litigations which would impact its financial position
- ii. The Unit 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 Unit.

For Chetan & Co.

Chartered Accountants

(Firm's Registration No.321151E)


Malaya Ray Chaudhuri

Partner

(Membership No. 053201)

Place: Kolkata

Date: 31st July, 2020

UDIN: 20053201AAAAAR3520



"Annexure-A" to the Independent Auditors' Report

[Referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of our Independent Auditors' Report]

- (i) In respect of its fixed assets:
- (a) The Unit has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were been physically verified by the 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 Unit and 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 Unit, title deeds of immovable properties as per management are held in the name of the Unit and title deeds have been mortgaged as security with bank for securing loans taken by the Unit.
- (ii) In respect of Inventories as explained to us, has been physically verified during the year by the management. In our opinion and explanations given to us, the frequency of such verification is reasonable. In our opinion and according to the information and explanation given to us, the Unit is maintaining proper records of inventory. No such material discrepancies noticed on physical verification.
- (iii) According the information and explanations given to us, the Unit has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties, covered in the register maintained under section 189 of the Companies Act, 2013 as such provisions of paragraph 3(iii) of the said order are not applicable.
- (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, are not applicable and hence not commented upon.
- (v) According to the information and explanations given to us, the Unit has not accepted any deposits from the public within the meaning of directives issued by the Reserve bank of India and provisions of Section 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 Unit Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Unit in respect of the aforesaid deposits.
- (vi) Based on the information available and as explain to us, the cost records are maintained by the Unit 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) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of books of account, the Unit 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, 2020 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no statutory dues payable which are remain outstanding as on March 31, 2020 and which have been deposited as on 31st March, 2020 on account of any dispute with the relevant authorities.
- (viii) According to the information and explanations given to us, the Unit has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Unit has not issued any debentures during the year.
- (ix) According to the information and explanations given to us, the Unit has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Based on the information available, the term loan has applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Unit or on the Unit by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, compliance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 is taken care at Head office level as such provision to paragraph 3 (xi) of the order are not applicable to the Unit.
- (xii) According to the information and explanations given to us, the Unit is not a Nidhi Company and as such provisions of paragraph 3(xii) of the said order are not applicable to the Unit.
- (xiii) According to the information and explanations given to us and based on our examination of books of accounts, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the 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, preferential allotment or private placement of shares or fully or partly paid convertible debentures are taken care at head office level and hence reporting under this clause is not applicable to the Unit.
- (xv) According to the information and explanations given to us and based on our examination of books of accounts, the Unit has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Unit.
- (xvi) The Unit is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and as such reporting under this clause is not applicable to the Unit.

For Chetan & Co.

Chartered Accountants

(Firm's Registration No.321151E)

Malaya Ray Chaudhuri

Partner

(Membership No. 053201)

Place: Kolkata

Date: 31st July, 2020

UDIN: 20053201AAAAAR3520



"Annexure-B" to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Orient Steel & Industries Limited** (hereinafter referred as "**the Unit**") as of March 31, 2020 in conjunction with our audit of the financial statements of the Unit for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Unit's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Unit considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Unit's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Unit based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

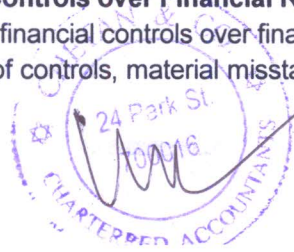
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Unit.

Meaning of Internal Financial Controls Over Financial Reporting

A Unit's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Unit's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Unit; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Unit are being made only in accordance with authorizations of management and directors of the Unit; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Unit's assets that could have a material effect on the financial statements.

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.

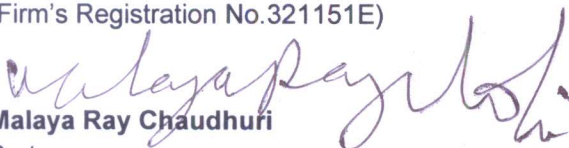
Opinion

According to the information and explanations given to us, and based on our audit, in our opinion, the Unit has generally maintained, in all material respects, an internal financial controls over financial reporting which were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Unit 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 Unit 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, process, 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 Unit. However, our opinion is not qualifies in this respect.

For Chetan & Co.

Chartered Accountants

(Firm's Registration No.321151E)



Malaya Ray Chaudhuri

Partner

(Membership No. 053201)

Place: Kolkata

Date: 31st July, 2020

UDIN: 20053201AAAAAR3520



ORIENT STEEL & INDUSTRIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Note Ref.	As at March 31, 2020	As at March 31, 2019
I EQUITY & LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	1	2,94,28,000	2,94,28,000
b) Reserves & Surplus	2	33,45,44,175	30,06,94,314
2) Share Application Money Pending Allotment			
3) Non-Current Liabilities			
a) Long Term Loan	3	19,34,538	20,57,223
b) Deferred Tax Liabilities		-	-
b) Other Long Term Liabilities		-	-
c) Long Term Provision	4	2,89,68,843	1,55,83,309
4) Current Liabilities			
a) Short term borrowings	5	46,87,75,797	42,32,01,835
b) Trade Payables	6	8,68,08,443	10,17,34,361
c) Other current liabilities	7	10,71,29,745	4,22,13,835
d) Short-term provisions	8	9,82,810	53,65,566
		1,05,85,72,352	92,02,78,442
II ASSETS			
1) Non-Current Assets			
a) Fixed assets			
i) Tangible assets	9	40,12,50,460	41,35,95,695
ii) Capital Work in Progress	9	3,06,67,787	3,69,53,053
b) Non-Current Investments	10	500	500
c) Deferred Tax Assets(Net)	11	74,72,061	(45,73,902)
d) Long Term Loan and Advances	12	1,14,74,446	86,16,197
e) Other Non Current Assets	13	21,61,980	15,77,098
2) Current Assets			
a) Inventories	14	26,32,29,289	21,84,55,265
b) Trade receivable	15	24,19,85,306	16,77,74,737
c) Cash & cash equivalents	16	1,31,51,749	1,59,61,056
d) Short-term loans and advances	17	37,30,445	85,59,360
e) Other Current Assets	18	8,34,48,329	5,33,59,382
		1,05,85,72,352	92,02,78,442

Significant Accounting Policies
Additional Information

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

Place : Kolkata
Date : 31st July, 2020



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For ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore Rajgarhia
Chairman & Managing Director
Din NO.00439689

Nilesh Rajgarhia
Executive Director
Din No. 00439715

Priti Agarwal
Membership No.

PAgarwal
A23600

ORIENT STEEL & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
INCOME			
Revenue from operations	19	70,82,53,268	60,84,78,920
Other income	20	3,18,07,999	2,32,27,782
		74,00,61,266	63,17,06,701
EXPENSES			
Cost of Material Consumed	21	47,47,57,862	33,71,37,983
Changes in inventory of work in progress/Finished Goods	22	(3,04,38,401)	2,25,29,188
Employee benefits expense	23	1,94,32,706	4,22,80,165
Finance costs	24	5,49,09,711	4,86,80,324
Depreciation and amortization expenses	9	2,59,42,031	2,55,70,981
Other Expenses	25	13,62,73,390	11,44,40,646
		68,08,77,298	59,06,39,287
Profit before Exceptional and Extraordinary items and Tax		5,91,83,968	4,10,67,415
Exceptional Items (Prior Period Adjustment)		-	-
Profit before Extraordinary items and Taxes		5,91,83,968	4,10,67,415
Extraordinary Items		-	-
Profit before tax		5,91,83,968	4,10,67,415
Tax Expenses			
i. Current tax		1,32,88,142	91,30,331
ii. Deffered tax		1,20,45,964	68,29,222
iii. For earlier year		-	-
		-	-
Profit / (Loss) after Tax		3,38,49,862	2,51,07,862
Earnings per Share			
-Basic EPS		11.50	8.53
-Dilluted EPS		11.50	8.53
Significant Accounting Policies	26		
Additional Informations	27		

As per our report of even date attached

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

Place : Kolkata
Date : 31st July, 2020



For ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore Rajgarhia
Chairman & Mangaing Director
Din NO.00439689

Nilesh Rajgarhia
Executive Director
Din No. 00439715

Priti Agarwal

Membership No. A23600

ORIENT STEEL & INDUSTRIES LIMITED

Notes to Financial Statements

(Amount in Rupees)

Note:-1 Share Capital	As at March 31, 2020	As at March 31, 2019
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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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	8.71	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)

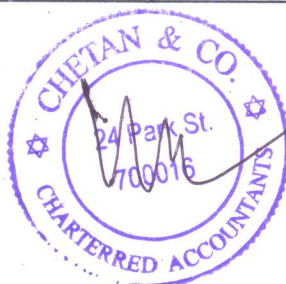
Note:-2 Reserves & Surplus	As at March 31, 2020	As at March 31, 2019
a) General reserve	95,12,543	95,12,543
b) Capital reserve	-	-
c) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	29,11,81,771	26,60,73,909
Profit for the year	3,38,49,861	2,51,07,862
Balance at the end of the year	32,50,31,632	29,11,81,771
Sub Total(c)	32,50,31,632	29,11,81,771
TOTAL(a+b+c)	33,45,44,175	30,06,94,314

(Amount in Rupees)

Note:-3 Long Term Loan	As at March 31, 2020	As at March 31, 2019
Secured:		
Vehicle Loan from Banks (Refer to Note Below)	19,34,538	20,57,223
TOTAL	19,34,538	20,57,223

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 10.01% and is reayable in in 60 monthly installments. Last instalment being due on October 15, 2020

b) 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 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 Toyota Financial Services India Ltd. is secured by way of hypothecation by of vehicle purchase and It carries interest rate of 9.01% p.a and is repayable in 36 monthly instalments. Last instalment being due on 20/08/2022

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, 2020	As at March 31, 2019
Provision for Employee Benefits:		
-For Gratuity	65,43,170	40,17,694
Provision for Taxation	2,24,25,673	1,15,65,615
TOTAL	2,89,68,843	1,55,83,309

(Amount in Rupees)

Note: 5 Short - Term Borrowings	As at March 31, 2020	As at March 31, 2019
Secured Loan		
Cash Credit Loan from Banks (Refer to Note Below)	2,72,47,708	1,91,01,673
Unsecured Loan		
From Related parties		
- Directors	21,33,13,525	18,31,69,457
- Body Corporates	19,73,00,258	19,03,13,398
From Others	3,09,14,306	3,06,17,307
TOTAL	46,87,75,797	42,32,01,835

Note :-

a) Cash credit Loans from Uco Bank Ltd. @ Bank Rate + 4%, Secured by hypothecation of Inventories, store and spares, book debts and other movables and collateral security of factory land and plant and machinery at Ballabgarh and Serampore and its guaranteed by director of the company.

b) Unsecured loan from Directors @ 10.00% P.A interest bearing INR 213313525 outstanding as on 31st March 2020

c) Unsecured loan from rest parties. @ 10.00% P.A interest bearing of INR 197300258 taken during the year, repayable on demand.

d) Unsecured loan from others @ 12.00% P.A Interest bearing INR 26008666 Outstanding as on 31st March 2019

Note:-6 Trade Payable	As at March 31, 2020	As at March 31, 2019
Sundry Creditors		
-Micro, Small and Medium Enterprises *	-	-
-Others **	8,68,08,443	10,17,34,361
TOTAL	8,68,08,443	10,17,34,361

* 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. 50950000 (Previous Year Rs Rs 6,40,93,306)



(Amount in Rupees)

Note:- 7 Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Current maturities of Long Term Debt	-	15,06,178
Interest accrued but not due to Banks	2,78,610	5,42,855
Advances From Customers/Suppliers	5,26,77,080	1,11,37,221
Employee Benefits Payable	(16,011)	6,11,428
Security Deposit Received	50,00,000	50,00,000
Provision for Excise duty on Closing Stock of Finished Goods	-	-
Other Liabilities		
-Statutory dues payable	33,07,994	29,82,940
Others	4,58,82,073	2,04,33,212
TOTAL	10,71,29,745	4,22,13,835

(Amount in Rupees)

Note:- 8 Short Term Provision	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Unpaid Salary	-	7,402
Bonus	1,85,833	4,77,179
Leave Encashment	7,65,822	12,01,307
Gratuity	31,155	36,79,678
TOTAL	9,82,810	53,65,566

(Amount in Rupees)

Note:-10 Non-Current Investments	As at March 31, 2020	As at March 31, 2019
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, 2020
For Difference in WDV as per Companies Act & as per Income Tax Act	4,18,10,471
B) Deferred Tax Assets	
Disallowances of Expenditures	4,92,82,532
Net Tax Assets (B-A)	74,72,061

(Amount in Rupees)

Note:-12 Long Term Loan and Advances (Unsecured, Considered Good)	As at March 31, 2020	As at March 31, 2019
Security Deposits	69,74,446	41,16,197
Capital advance	45,00,000	45,00,000
TOTAL	1,14,74,446	86,16,197

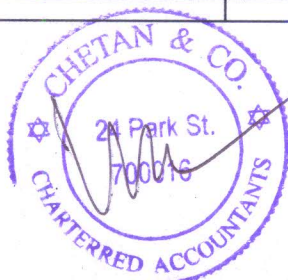
(Amount in Rupees)

Note:-13 Other Non-Current Assets (Unsecured, Considered Good)	As at March 31, 2020	As at March 31, 2019
Deposits with Government Department	21,61,980	15,77,098
TOTAL	21,61,980	15,77,098

(Amount in Rupees)

Note:-14 Inventories * (Valued & Certified by the management)	As at March 31, 2020	As at March 31, 2019
Finished Goods	3,77,88,248	3,99,15,660
Work-in-Progress	6,36,40,854	3,51,39,981
Raw-material	13,10,06,221	10,74,54,819
Stores & Spares	2,45,05,024	3,37,20,804
Scrap	62,88,941	22,24,001
By Product	-	-
TOTAL	26,32,29,289	21,84,55,265

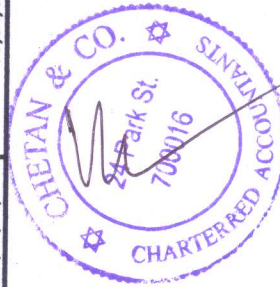
* Additional Information :-Refer Note No.26(4)



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

SCHEDULE-9: FIXED ASSETS

Particulars	GROSS BLOCK			Total as at 31-Mar-20	DEPRECIATION			NET BLOCK		
	Cost as at 01-Apr-19	Additions	Sales & Adjustment		Upto 01-Apr-19	For the year	Adjustment	Upto 31-Mar-20	WDV 31-Mar-20	WDV 31-Mar-19
Tangible Assets:										
Land & Development	1,40,22,660			1,40,22,660					1,40,22,660	
Leasehold Land	3,24,39,680			3,24,39,680	29,49,064	3,27,673		32,76,737	2,91,62,943	
Building	2,36,03,786	28,95,742		2,64,99,528	47,65,896	20,13,565		67,79,461	1,97,20,067	
Factory Shed & Building	6,57,82,046			6,57,82,046	2,84,29,063	47,130		2,84,76,193	3,73,05,853	
Plant & Machinery	57,15,64,408	2,27,96,292	1,10,59,810	58,33,00,890	28,19,84,800	2,05,32,471	3,18,167	30,21,99,104	28,11,01,786	
Office Equipment	33,15,317	3,76,088		36,91,405	25,89,481	1,51,546		27,41,028	9,50,377	
Vehicles	1,55,74,767	9,90,500		1,65,65,267	1,02,07,467	17,37,886		1,19,45,352	46,19,915	
Computer	21,92,351	80,451		22,72,802	17,40,455	98,109		18,38,563	4,34,239	
Furniture & Fittings	49,41,438			49,41,438	37,26,907	63,501		37,90,409	11,51,029	
Generator Set	3,08,48,558			3,08,48,558	1,40,55,503	12,88,318		1,53,43,820	1,55,04,738	
Total of Tangible Assets (A)	76,42,85,011	2,71,39,073	1,10,59,810	78,03,64,274	35,04,48,636	2,62,60,198	3,18,167	37,63,90,667	40,12,50,460	41,38,36,376



(Amount in Rupees)		
Note:- 15 Trade Receivables (Unsecured, Considered good, unless otherwise stated)	As at March 31, 2020	As at March 31, 2019
i. Outstanding for a period exceeding six months from the date they are due for payment		
a) Unsecured, considered good	20,39,53,960	4,08,69,666
b) Unsecured, considered Doubtful	-	3,42,06,377
Less : Provision for doubtful debts	-	-
(A)	20,39,53,960	7,50,76,043
ii. Others debts (Unsecured, Considered good)	3,80,31,347	9,26,98,694
(B)	3,80,31,347	9,26,98,694
	-	-
TOTAL (A+B)	24,19,85,306	16,77,74,737

(Amount in Rupees)		
Note:- 16 Cash & Cash Equivalents	As at March 31, 2020	As at March 31, 2019
i. Cash on hand	2,21,870	11,99,362
ii. Bank Balance:		
a) In current Account	4,43,116	3,68,426
b) In Fixed Deposit account (maturity less than 3 months)	-	-
c) Escrow a/c	84,230	5,426
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	1,23,89,282	1,43,74,592
-With Post Office Savings Bank Account	13,250	13,250
(Pass Book Pledged with collector of Central Excise)		
TOTAL	1,31,51,749	1,59,61,056

*Fixed deposits amounting to INR 1,23,89,282 (INR 1,43,74,592) 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, 2020	As at March 31, 2019
Advances recoverable in cash or in kind or for value to be received	26,78,589	57,11,176
Claim Receivable	-	-
Prepaid Expenses	3,50,335	7,05,510
Balances with Government authorities	7,01,521	21,42,674
TOTAL	37,30,445	85,59,360

(Amount in Rupees)		
Note :- 18 Other Current Assets	As at March 31, 2020	As at March 31, 2019
Accrued Interest on Fixed deposit & Security Deposit	2,10,691	-
Advance to suppliers	-	35,05,784
Advance Tax	1,11,00,000	45,00,000
TCS deducted by Party	86,489	63,941
Lease Rent Receivable	-	16,67,000
ITDS Deducted by Party (Asset)	97,43,977	63,17,550
GST Credit	6,23,07,172	3,72,83,662
Service tax input	-	21,445
TOTAL	8,34,48,329	5,33,59,382



(Amount in Rupees)

Note:- 19 Revenue from Operations	As at March 31, 2020	As at March 31, 2019
Sales of Products :		
Finished Goods *	69,92,19,707	59,25,91,919
Scrap and By Products	90,07,701	1,36,66,800
	70,82,27,408	60,62,58,720
*Sales of Services		
Job work charges	25,860	22,20,200
TOTAL	70,82,53,268	60,84,78,920

* Additional Information :-

Particulars of turnover of products manufactured/trading items :

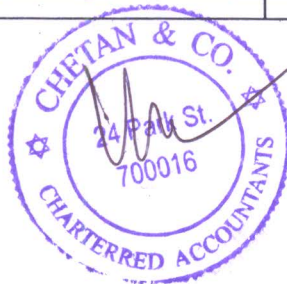
Class of Goods	Current Year		Previous Year	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cold Rolled Formed Sections of Mild Steel	386.41	34557572	219.035	18550575
Cold Rolled Formed Sections of Stainless Steel	2178.2	272715866	1433.885	173586178.1
Hot Rolled Mild Steel Strips				
Sheet Piles Z Type	962.53	62795312	814.165	56473422.5
Hot Rolled Stainless Steel Strips	0	-	0	-
Coach Parts SS	470	10,52,54,290	291	6,05,60,784
Sheet Piles Exports	38	19,98,100	21	11,40,980
SS sheet Corrugate Coach	-	-	8	26,11,000
Less-Sales Return Cold Rolled Formed Sections of Stainless Steel	-	-	(4)	(3,10,500)
Steel Casting	1,362	22,18,98,567	3,484	27,99,79,480
Total	5396.596	699219706.7	6273.357	593212919.3

(Amount in Rupees)

Note:- 20 Other Income	As at March 31, 2020	As at March 31, 2019
Interest received from Bank	11,89,088	6,28,766
Interest received from Others	2,63,364	2,63,364
Miscellaneous receipts	82,43,969	33,22,922
Profit on sale of fixed assets	-	-
Lease Rent	2,00,04,000	1,53,25,645
Liability Written Back	4,90,845	1,18,862
Gain on exchange fluctuation	-	13,36,438
Discount received	-	-
Compensation of Land & Building	-	-
Wind Mill income	16,16,733	22,31,785
TOTAL	3,18,07,999	2,32,27,782

(Amount in Rupees)

Note:- 21 Cost of Materials consumed*	As at March 31, 2020	As at March 31, 2019
Opening Inventory	10,74,54,819	9,22,40,449
Add : Purchases of Raw materials	49,83,09,264	35,23,52,353
Less: Inventory at the end of year	13,10,06,221	10,74,54,819
Less: Goods Returned	-	-
TOTAL	47,47,57,862	33,71,37,983



* Additional Information :-

Analysis of Raw-materials and components consumed :

Class of Goods	As at March 31, 2020		As at March 31, 2019	
	Qty.	Value	Qty.	Value
	MT	Rs.	MT	Rs.
M.S. Scrap, C.I. Scrap, Sponge Iron etc.	-	7,45,41,037	1,878	7,34,65,736
Ferro Silicon	-	2,86,220	-	1,42,200
Ferro Manganese	178	1,01,84,450	-	1,41,87,989
Ferro Molly	-	-	-	1,214
Ferro Titanium	-	3,59,150	-	5,80,120
Sundry Raw Materials+boogie components	-	-	-	3,40,31,471
Silicon manganese	17	17,25,520	-	9,36,000
Hot Rolled Mild Steel Strips	-	-	-	-
Silicon Manganese	-	-	-	-
CRFS MS	-	-	1,022	3,94,94,936
CRFS SS	1,579	6,88,06,905	1,869	17,42,98,318
Bought out components	2,708	38,77,56,186	-	-
Total		54,35,64,767		33,71,37,983

(Amount in Rupees)

Note:- 22 Changes in Inventories of Finished Goods	As at March 31, 2020	As at March 31, 2019
Stock at the Opening of the year		
-Finished Goods	3,99,15,660	2,25,60,829
-Work-in-process	3,51,39,981	7,59,51,870
-By Product	-	-
-Scrap	22,24,001	12,96,130
	7,72,79,642	
Less: Stock at the end of the year		
-Finished Goods	3,77,88,248	3,99,15,660
-Work-in-progress	6,36,40,854	3,51,39,981
-By Product	-	-
-Scrap	62,88,941	22,24,001
	10,77,18,043	7,72,79,642
Increase/(Decrease) in Stock	(3,04,38,401)	2,25,29,188

(Amount in Rupees)

Note:- 23 Employee Benefit Expenses	As at March 31, 2020	As at March 31, 2019
Salaries & Wages, Bonus and Leave Salary	1,64,23,898	3,70,39,317
Contribution to provident fund and other funds	17,31,641	26,07,236
Staff Welfare Expenses	4,50,817	7,00,680
Gratuity	8,26,350	19,32,931
TOTAL	1,94,32,706	4,22,80,165
	1,94,32,706	

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

(Amount in Rupees)

Note:- 24 Finance cost	As at March 31, 2020	As at March 31, 2019
Interest On Borrowings:		
-From Banks	19,53,790	64,70,166
-From Related parties	-	-
- Directors	2,23,33,870	1,40,70,689
- Body Corporates	-	-
-From Others	36,75,276	36,67,458
Other Borrowings Cost	2,69,46,774	2,44,72,011
TOTAL	5,49,09,711	4,86,80,324



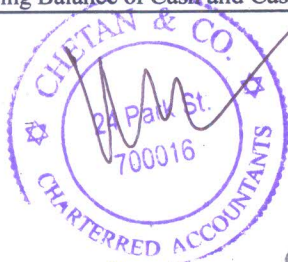
(Amount in Rupees)

Note:- 25 OTHER EXPENSES	As at March 31, 2020	As at March 31, 2019
Manufacturing Expense:		
Consumption of Stores	4,61,90,809	4,40,97,821
Power & Fuel	2,95,30,488	3,25,95,755
Repairs & Maintenance :		
-Building	2,17,185	10,47,296
-Plant & Machinery	36,86,950	12,16,055
Excise Duty including excise duty in change in Inventory	-	92,937
Processing charges paid	57,24,446	49,45,570
Transportation Inwards	11,98,231	-
Entry tax	-	-
Selling and Distribution Expenses		
Freight, transport and handling charges	3,60,984	17,32,418
Advertisement	6,39,651	66,100
Rebate & Discount	-	-
Brokerage & Commission	5,26,260	7,84,588
Sales Tax Expenses	44,76,472	7,64,588
R & D Expenses	1,91,867	76,004
Administration Expense		
Repairs & Maintenance	3,22,196	2,33,028
Rent	2,17,313	2,65,185
Rates & Taxes	36,42,370	84,47,324
Insurance	3,05,122	1,47,482
Donation	82,000	67,300
Bank Charges	8,97,463	6,92,033
Auditor's Remuneration :		
-Audit Fee	1,86,980	1,86,980
-Tax Audit Fee	48,400	48,400
Printing & Stationery	2,68,953	3,42,389
Vehicle Maintenance	7,26,797	6,44,026
Travelling & Conveyance	32,96,586	32,69,317
Communication Expenses	-	1,01,015
Legal & Professional Expenses	23,79,094	17,35,672
Duties & Taxes	-	-
Security Service Charges	6,91,708	6,10,953
Membership & subscriptions	4,99,825	5,47,545
Loss on sale of fixed asset	39,09,311	73,688
Telephone Expenses	1,74,868	1,31,104
Postage & Telegram	61,034	80,817
Bad debt	92,16,570	62,04,371
Preliminary expenses	-	2,197
Windmill Expenses	44,492	9,14,922
Miscellaneous Expenses	1,65,58,965	22,61,368
Total	13,62,73,390	11,44,40,646



ORIENT STEEL & INDUSTRIES LIMITED
CASH FLOW STATEMENT

Particulars	2019-20
	Amount(Rs)
Net Profit After Tax	3,38,49,862
Cash Flows from Operating Activities	
Add:	
Depreciation	2,59,42,031
Finance Charges	5,49,09,711
Loss on sale of Fixed Assets	39,09,311
	8,47,61,053
Less:	
Deferred tax	
Wind Mill Income	16,16,733
Interest Received	11,89,088
Liability Written back	49,08,497
Operating Profit before Working Capital Changes	11,53,14,249
Changes in Assets and Liabilities	
Add/less:-	
Trade Payables	(1,49,25,918)
Other current Liabilities	6,49,15,911
Short Term Borrowings	4,55,73,962
Inventories	(4,47,74,023)
Provisions	90,02,779
Other Current Assets	(2,74,60,984)
Trade Receivables	(7,42,10,570)
Cash Generated from Operations	(4,18,78,844)
Direct Taxes Paid (Net)	1,32,88,142
Net Cash Flows From Operating Activities (A)	6,01,47,263
Cash Flows From Investing Activities	
Purchase/Sale of Fixed Assets (Net)	(40,11,378)
Loss on sale of Fixed Assets	(39,09,311)
Wind Mill Income	16,16,733
Interest Received	11,89,088
Net Cash Used In Investing Activities(B)	(51,14,868)
Cash Flows From Financing Activities	
Net Proceeds/(Repayment) of Long Term Borrowings	(1,22,684)
Finance Charges	(5,49,09,711)
Net Cash Flows From Financing Activities (C)	(5,50,32,395)
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	(28,09,308)
Opening Balance of Cash and Cash Equivalents	1,59,61,056
Closing Balance of Cash and Cash Equivalents	1,31,51,749



ORIENT STEEL & INDUSTRIES LTD.

Managing Director

ORIENT STEEL & INDUSTRIES LTD.

Nimesh K. Agarwal
Executive Director

Prati Agarwal
Membership No.

Prati Agarwal
A23600

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:

- 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.
- 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.
- Fixed Assets are reviewed for impairment when ever events or changes in circumstances indicate that the carrying amount of an asset 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.
- Capital-work-in progress is stated at cost.

3) 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 value of investments.

4) Inventories:

Inventories cost has been arrived at in case of --

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

5) Employee Benefits:

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

6) 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.

7) Sales/Revenue Recognition:

- Revenue from sales is recognized on dispatch of goods from factory or depot. Sales are exclusive of GST where applicable.
- Interest Income is recognized on time and proportion basis taking into account the amount outstanding and the rate applicable.



(ii) In Kolkata Unit, Trade Receivable as on 31.03.2020 is Rs 62,28,601/- are unsecured and considered good except to the tune of Rs 76,20,736 /- 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. 46,87,75,797, Trade payables of Rs. 8,68,08,443, Other current liabilities of Rs.10,71,29,745, Trade receivables of Rs. 24,19,85,306, Cash and Cash equivalents of Rs. 1,31,51,749 and Short-term Loans and advances of Rs. 37,30,445 as at 31st March 2020 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 :

	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
i) With Key Managerial Personnel		
Remuneration Paid	65,88,000	65,88,000
Directors' Fees	32,500	30,000
Payment for Services	4,20,000	4,20,000
Loan Taken	5,09,35,000	11,51,16,764
Loan Paid	2,00,30,931	2,49,68,034
Interest Paid	2,23,33,870	1,17,01,713
Balance outstanding Receivable/(payable) as on 31.03.2020	21,33,13,524	32,38,55,697

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

	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
Loan Taken	6,06,55,000	18,48,00,000
Loan Paid	2,27,64,071	42,54,230
Interest Paid	4,20,63,896	1,69,82,410
Balance outstanding	41,06,13,782	35,40,07,425

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:

Employer's contribution to provident fund

	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
Employer's contribution to provident fund	17,31,641	21,03,180

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

	2019-20	2018-19
Discount Rate	6.80%p.A	7.10%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	2019-20	2018-19
Weighted average number of equity share outstanding during the year	(Amount in Rs.)	(Amount in Rs.)
Face Value Rs. 10/-	3,38,49,862	2,48,89,124
Basic and Diluted Earnings per share (including Shares pending for allotment)	29,42,800	29,42,800
	Rs. 11.50	Rs. 8.46

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

Class of Goods	Unit of Qty.	Licensed Capacity	Installed Capacity as certified by management	Actual Production 2019-20		Opening Stock as on 01.04.2019		Closing stock as on 31.03.2020	
				2019-20	2018-19	Qty	Value (Rs)	Qty	Value (Rs)
					Qty				
Steel Casting	MT	24,000	24,000	1374,906	3,574	176,000	22,00,000	30,760	40,22,920
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	-	-	1,000	21,033	1,000	21,033
Hot Rolled Mild Steel Strips		-	-	-	-	-	-	-	-
Hot Rolled Stainless Steel		-	-	-	-	-	-	-	-
Cold Rolled formed section	MT	36,000	36,000	-	-	-	-	-	-
Sheet piles Z type		-	-	-	-	-	-	-	-
Mild Steel Sections	MT	36,000	-	1,410,000	1,045	130,000	71,78,600	148,360	84,96,132
Stainless Steel Sections		-	-	2,595,000	1,964	277,000	3,05,16,027	222,698	2,52,48,163
Total							3,99,15,660		3,77,88,248

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	Current Year		Previous Year	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Cold Rolled Formed Sections of Mild Steel	386.41	345.58	219.035	185.51
Cold Rolled Formed Sections of Stainless Steel	2178.2	2727.16	1433.885	1735.86
Hot Rolled Mild Steel Strips				
Sheet Piles Z Type	962.53	627.95	814.165	564.73
Hot Rolled Stainless Steel Strips	0	0	0	0.00
Coach Parts SS	470.01	1052.54	291	605.61
Sheet Piles Exports	37.7	19.98	21	11.41
SS sheet Corrugate Coach	0	0	8	26.11
Less-Sales Return	0	0	(4)	-3.11
Steel Casting	1361.746	2,219	3,484	2799.79
Total	5396.596	6,992	6273.357	5932.13

(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	2019-20		2018-19	
	Rupees	Percentage	Rupees	Percentage
Raw Materials :				
Indigenous	47,47,57,862	100.00	33,71,37,983	100.00
Imported	-	-	-	-
Total	47,47,57,862	100.00	33,71,37,983	100.00
Stores/Spares :				
Indigenous	4,61,90,809	100.00	4,40,97,821	100.00
Imported	-	-	-	-
Total	4,61,90,809	100.00	4,40,97,821	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, 2020	31st March, 2019
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, 2020		17,03,20,946	3,45,60,796	10,54,330
Accumulated depreciation as on March 31, 2020		13,65,35,797	1,62,14,222	10,54,330
Depreciation for the year 2019-20		31,91,046	7,64,441	0

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:

- a) Lease term is for 24 Months basis.
- b) At the end of the lease period following options would be offered to us:
 1. Terminate the lease and return the equipment
 2. Renew the Lease for secondary period.

10) Operation of the Seranpore Unit remained suspended during the year.

11) Windmill income as appearing in Note: 20 refers to the original monthly bills raised during the year 2019-20 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.

12) 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

Mahaya Ray Chaudhuri
Mahaya Ray Chaudhuri
Partner

Membership No. 053201

For and on behalf of the Board

of ORIENT STEEL & INDUSTRIES LTD

Nawal Kishore

Rajgarhia

Chairman &

Managing

Director

DIN No.00439689

DIN No. 00439715

Nilesh Rajgarhia

Executive

Director

DIN No. 00439715

Place : Kolkata

Date : 31st July, 2020



Priti Agarwal

Membership No.

P. Agarwal

A23600