



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of Chandi Steel Industries Limited will be held on Tuesday 30th September, 2014 at 11:00 a.m. at the Registered Office of the Company situated at 3, Bentinck Street, Kolkata – 700 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Susanta Sarkar (holding DIN – 06449312), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Rashmi & Co., Chartered Accountants, of 213 Todi Chambers, 2 Lal Bazar Street, Kolkata – 700 001, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be fixed by the Board of Directors and the Audit Committee, apart from reimbursement of out of pocket expenses and taxes as applicable.”

SPECIAL BUSINESS

Item No. 4

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and the Listing Agreement with the Stock Exchange(s), Shri Anshuman Dalmia (holding DIN - 00061573), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of an Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31st March, 2019.”

Item No. 5

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and the Listing Agreement with the Stock Exchange(s), Shri Vishal Bagri (holding DIN - 00078949), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of an Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31st March, 2019.”

Item No. 6

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and the Listing Agreement with the Stock Exchange(s), Shri Mahesh Kumar Keyal (holding DIN - 00079253), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of an Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31st March, 2019.”

Item No. 7

To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a consolidated remuneration of ₹ 20,000/- (excluding applicable taxes and reimbursement of out-of pocket expenses, if any) as fixed by the Board of Directors at its meeting held on 13th August, 2014 to be paid to Mondal & Associates, Proprietor Mr. Amiya Mondal, being the Cost Auditors of the Company, having office at 45, Akhil Mistry Lane, Kolkata – 700 009 for conducting the audit of the cost records of the Company and providing Cost Audit Report, Performance Appraisal Report and all such reports, annexures, records, documents etc., for the financial year 2014-15, that may be required to be prepared and submitted by the Cost Auditors under applicable statute be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

Item No. 8

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier Ordinary resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 29th September, 2010, and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 200 Crore (Rupees Two Hundred Crore only) and that the monies borrowed/ to be borrowed by the Company in respect of earlier resolution passed under the aforesaid Section be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to execute all such documents, instruments and writings as may be required and do all such acts, deeds and things as it may in its absolute discretion deem necessary to give effect to the above resolution and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of the Board or any Key Managerial Personnel (KMP) or any other Officer(s) of the Company.”



Item No. 9

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier Ordinary resolution passed under Section 293(1)(a) of the Companies Act, 1956 at the Extra-ordinary General Meeting of the Company held on 14th August, 2003, and pursuant to Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) to hypothecate, mortgage/charge or create lien and / or other encumbrances in addition to the mortgages / charges etc. already created / to be created by the Company in such form and manner and with such ranking as at such time and on such terms on all or any of the immoveable and moveable properties of the Company both present and future and / or on the part or whole or substantially the whole of the undertaking(s) of the Company as the Board may determine to secure the sum or sums of monies borrowed or to be borrowed aggregating up to a sum of ₹ 200/- Crore (Rupees Two Hundred Crore only) and that any hypothecation, mortgage/charge or creation of lien and / or other encumbrances created/ to be created on the immoveable/moveable properties of the Company in respect of earlier resolution passed under the aforesaid Section be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise and execute such deeds, documents, agreements and / or papers as may be required for creation of the aforesaid mortgage, hypothecation, charge or any other encumbrances, if any, by the Company and to execute all such documents, instruments and writings as may be required and do all such acts, deeds and things as it may in its absolute discretion deem necessary to give effect to the above resolution and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of the Board or any Key Managerial Personnel (KMP) or any other Officer(s) of the Company.”

Item No. 10

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (herein referred to as ‘the Board’ which shall deem to include any committees thereof) to contribute to bonafide charitable and other funds provided that the aggregate amount of contribution to such funds in a financial year shall not exceed the limits as set out in Section 181 or a sum of ₹ 1 lac (Rupees one lac only) whichever is higher.”

Registered Office:

3, Bentinck Street
Kolkata – 700 001
Place : Kolkata
Date : 30th August, 2014

By Order of the Board
For **Chandi Steel Industries Limited**

Perna Sharma
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business under item no. 4 to 10 to be transacted at the Annual General Meeting (‘the meeting’) is annexed hereto and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT**

LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. FURTHER, PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.

A person can act as a proxy on behalf of the member or members not exceeding 50 (Fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Also, a member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as a proxy provided that such a person shall not act as a proxy for any other person or member.

3. Pursuant to Section 88 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014 the Register of Members is required to be maintained in form MGT -1, in this respect, members holding shares in physical form are requested to inform/update the following additional details to the RTA, Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane, Kolkata – 700001
 - a. E-mail id (of the first holder)
 - b. PAN no.
 - c. Unique Identification Number (AADHAR NO.)
 - d. Mother's Name
 - e. Occupation
 - f. In case the member is a minor, Name of the Guardian and date of birth of the Member
 - g. CIN no. (In case the member is a body corporate)
4. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 (Corresponding to Section 154 of the Companies Act, 1956), the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 27th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
6. Electronic copy of the Notice of the Thirty Sixth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. However, members who have not registered their email address shall be furnished with physical copies of the aforesaid Notice in the permitted mode.
7. All the documents referred to in the accompanying notice are available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays and Sundays), between 11:00 A.M. to 1:00 P.M. upto the conclusion of this Annual General Meeting.
8. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 (Seven) days before the meeting so as to enable the Company to make available relevant information at the meeting.
9. Members are requested to bring their copy of Annual Report at the meeting.
10.
 - a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement with the Stock Exchange, the Company is pleased to inform that *the business as stated in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means* through e-voting services as provided by the Central Depository Services (India) Limited (CDSL). **The detailed process for exercising the e-voting facility is enclosed and is being sent as a part of the Notice. Members are requested to carefully read the instructions of e-voting before exercising their vote.**
 - b) The e-voting facility will be made available during the following period:
Commencement of e-voting: From 10:00 a.m. on Monday, 22nd September, 2014
End of e-voting: up to 10:00 p.m. on Wednesday, 24th September, 2014



Members' holding shares either in physical or dematerialized mode as on the cut-off date (i.e. the record date) viz. Friday, 29th August, 2014 may exercise their vote electronically.

- c) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. Further, members who have cast their vote electronically shall not be allowed to vote again at the meeting. However, members may attend the meeting and participate in the discussions, if any.
 - d) Proxies cannot vote through e-voting facility.
 - e) The voting rights of the members shall be one vote per paid up equity share, registered in the name of the shareholders/beneficial owners as on the cut-off date (i.e. the record date) being 29th August, 2014.
 - f) The Board of Directors has appointed Mrs. Premlata Soni, Practising Company Secretary, (Membership No. FCS: 4385), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - g) The scrutinizer shall within a period of not exceeding 3 (Three) working days from the date of conclusion of the e-voting period, unblock the votes in the presence of at least 2 (Two) witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
 - h) The result of e-voting shall be announced by the Chairman at the Annual General Meeting or thereafter and the resolution shall be deemed to be passed at the Annual General Meeting subject to the receipt of requisite number of votes in favour of the Resolutions.
 - i) The results of e-voting will be communicated to the Stock Exchanges where shares of the Company are listed viz. The Calcutta Stock Exchange Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL within 2 working days of passing of the resolution.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

Registered Office:
3, Bentinck Street
Kolkata – 700 001
Place : Kolkata
Date : 30th August, 2014

By Order of the Board
For **Chandi Steel Industries Limited**

Prerna Sharma
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

Item No. 4

Shri Anshuman Dalmia joined the Board of Directors of the Company w.e.f. 30th October, 2008 as an Additional Director (Category – Non-Executive Independent).

Shri Anshuman Dalmia (holding DIN - 00061573) is a Director whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of the requirements of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance with Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchange, Shri Anshuman Dalmia, being eligible and consenting to act as such, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting till 31st March, 2019.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Anshuman Dalmia, as a candidate for the office of Director of the Company.

The Company has received consent in writing from Shri Anshuman Dalmia to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Shri Anshuman Dalmia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Anshuman Dalmia as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Anshuman Dalmia as an Independent Director, for the approval by the members of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 4 to be passed as an Ordinary Resolution by the members.

Shri Anshuman Dalmia may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 5

Shri Vishal Bagri joined the Board of Directors of the Company w.e.f. 26th June, 2008 as an Additional Director (Category – Non-Executive Independent).

Shri Vishal Bagri (holding DIN - 00078949) is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of the requirements of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance with Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchange, Shri Vishal Bagri, being eligible and consenting to act as such, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting till 31st March, 2019.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Vishal Bagri as a candidate for the office of Director of the Company.



The Company has received consent in writing from Shri Vishal Bagri to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Shri Vishal Bagri fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vishal Bagri as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Vishal Bagri as an Independent Director, for the approval by the members of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 5 to be passed as an Ordinary Resolution by the members.

Shri Vishal Bagri may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 6

Shri Mahesh Kumar Keyal joined the Board of Directors of the Company w.e.f. 29th June, 2009 as an Additional Director (Category – Non-Executive Independent).

Shri Mahesh Kumar Keyal (holding DIN - 00079253) is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of the requirements of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 on Amendments to Clause 49 of the Equity Listing Agreement, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance with Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made therein (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the Listing Agreement with the Stock Exchange, Shri Mahesh Kumar Keyal, being eligible and consenting to act as such, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting till 31st March, 2019.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing Shri Mahesh Kumar Keyal as a candidate for the office of Director of the Company.

The Company has received consent in writing from Shri Mahesh Kumar Keyal to act as a Director of the Company along with the requisite disclosures and a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Shri Mahesh Kumar Keyal fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mahesh Kumar Keyal as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Mahesh Kumar Keyal as an Independent Director, for the approval by the members of the Company.

The Board of Directors, therefore, recommend the Resolution under item no. 6 to be passed as an Ordinary Resolution by the members.

Shri Mahesh Kumar Keyal may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 7

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 13th August, 2014, has approved the re-appointment and remuneration of the Cost Auditors of the Company, Mondal & Associates, Proprietor Mr. Amiya Mondal, to conduct audit of the cost

records of the Company and providing Cost Audit Report, Performance Appraisal Report and all such reports, annexures, records, documents etc., for the financial year 2014-15, that may be required to be prepared and submitted by the Cost Auditors under applicable statute.

In terms of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be approved by the Board and subsequently ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2014-15.

The Board of Directors, therefore, recommend the Resolution under item no. 7 to be passed as an Ordinary Resolution by the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 8

In accordance with the Ordinary resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 29th September, 2010, the Board of Directors of the Company was authorised to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 200 Crore (Rupees Two Hundred Crore only).

Further, in terms of Section 180(1)(c) of the Companies Act, 2013, effective w.e.f. 12th September, 2013, the Board can exercise its borrowing powers only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(d) of the Companies Act, 1956. The approval of the members is also sought for any money, whatsoever borrowed/ to be borrowed by the Company after the expiry of time period granted by the Ministry of Corporate affairs in respect of earlier resolution passed under the aforesaid Section.

The Board of Directors, therefore, recommend the Resolution under item no. 8 to be passed as a Special Resolution by the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 9

In accordance with the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956 at the Extra-ordinary General Meeting of the Company held on 14th August, 2003, the Board of Directors of the Company were authorised to hypothecate, mortgage/charge or create lien and/or other encumbrances in addition to the mortgages / charges etc. already created/to be created by the Company in such form and manner and with such ranking as at such time and on such terms on all or any of the immovable and moveable properties of the Company both present and future and / or on the part or whole or substantially the whole of the undertaking(s) of the Company, to secure the amount borrowed/to be borrowed by the Company or as security for monies lend to others from time to time for the due payment of the principal monies together with the interest payable thereon in respect of such borrowings.

Further, in terms of Section 180(1)(a) of the Companies Act, 2013, effective w.e.f. 12th September, 2013, the Board can exercise its power to hypothecate, mortgage/charge or create lien and / or other encumbrances on the immovable/movable properties of the Company, from time to time only with the consent of the members by way of a Special Resolution unlike Ordinary Resolution as was required under Section 293(1)(a) of the Companies Act, 1956. The approval of the members is also sought for any hypothecation, mortgage/charge or creation of lien and / or other encumbrances created/ to be created on the immovable/movable properties of the Company in respect of earlier resolution passed under the aforesaid Section and that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be



obtained from the Company's Bankers, shall not be in excess of ₹ 200 Crore (Two Hundred Crore only). The Board of Directors, therefore, recommend the Resolution under item no. 9 to be passed as a Special Resolution by the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 10

As per the provision of Section 181 of the Companies Act, 2013 the Board of Directors of the company can contribute to bona fide charitable and other funds, any amount the aggregate of which, in any financial year shall not exceed 5% of its average net profits for the three immediately preceding financial years.

The consent of the members is sought to enable the Company to continue with contribution to any institute, body, trust, society, association or person for any bona fide and charitable fund.

The Board of Directors, therefore, recommend the Resolution under item no. 10 to be passed as an Ordinary Resolution by the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office:

3, Bentinck Street

Kolkata – 700 001

Place : Kolkata

Date : 30th August, 2014

By Order of the Board
For **Chandi Steel Industries Limited**

Perna Sharma
Company Secretary

ANNEXURE TO THE NOTICE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Brief profile of Director Seeking Re-appointment at the Thirty Sixth Annual General Meeting

Name of Director	Shri Susanta Sarkar
Date of Birth	15th October, 1970
Date of Appointment	19th November, 2012
Qualification	Draughtsmanship (Mech. & Civil)
Expertise in Specific functional area	He has a deep knowledge of Central Excise.
Directorship held in other Public Companies	Nil
Chairman / Member of the Committees of the Board of Directors of the Company:	
(a) Audit committee	–
(b) Shareholders Committee	–
(c) Remuneration Committee	–
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director:	
(a) Audit committee	–
(b) Shareholders Committee	–
(c) Remuneration Committee	–
No. of Equity Shares held in the Company	Nil

Brief profile of Director Seeking Appointment at the Annual General Meeting

Name of Director	Shri Anshuman Dalmia	Shri Vishal Bagri	Shri Mahesh Kumar Keyal
Date of Birth	23rd December, 1981	25th December, 1969	2nd November, 1972
Date of Appointment	30th October, 2008	26th June, 2008	29th June, 2009
Qualification	B. Com (Hons.)	B. Com (Hons.)	B. Com
Expertise in Specific functional areas	He has deep knowledge of marketing of Iron & Steel Products	He has more than 20 years of experience in marketing of Iron & Steel products	He has more than 15 years of experience of procurement of raw materials & production process.
Directorship held in other Public Companies	Nil	Jai Balaji Jyoti Steels Limited	Nil
Chairman / Member of the Committees of the Board of Directors of the Company:			
(a) Audit committee	Chairman	Member	Member
(b) Shareholders Committee	Member	—	—
(c) Remuneration Committee	Chairman	Member	Member
Chairman/Member of the Committees of the Board of Directors of other Public Companies in which he is a Director:			
(a) Audit committee	—	Member	—
(b) Shareholders Committee	—	—	—
(c) Remuneration Committee	—	Member	—
No. of Equity Shares held in the Company	Nil	Nil	24,200

Process and manner of e-voting

- A. In case of Members receiving Notice of the Annual General Meeting by email and who wish to vote using the e-voting facility:
- i) Email contains your user ID and password for e-voting. Please note that this password is an initial password.
 - ii) Log on to the e-voting website www.evotingindia.com



- iii) Now click on “Shareholders” tab to cast your votes.
- iv) Now select the Company’s name “Chandi Steel Industries Limited” from the drop down menu and click on “SUBMIT”
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number registered with the Company

- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with sequence number 1 then enter SU00000001 in the PAN field. PAN/DEFAULT PAN is communicated in the Attendance Slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- ix) After entering these details appropriately, click on “SUBMIT” tab.
- x) Members holding shares in Physical form will then reach directly to the Company selection screen.
- xi) Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii) Click on the EVSN for the relevant <Chandi Steel Industries Limited> on which you choose to vote.
- xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility:

Please follow all steps from Sr. No. (ii) to Sl. No. (xix) above, to cast your vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



DIRECTORS' REPORT TO THE MEMBERS

Yours Directors are pleased to present their Thirty Sixth Annual Report on the business and operations of your Company together with Audited Accounts for the financial year ended 31st March, 2014.

Financial Results

(₹ in lacs)

Particulars	2013-14	2012-13
Income	4,390.13	7,061.89
Less : Expenses	4,053.73	6,737.92
Finance costs	243.84	223.57
Depreciation and amortization expenses	78.49	74.51
Total Expenses	4,376.06	7,036.00
Profit/(Loss) before exceptional and extraordinary items and tax	14.07	25.89
Less: Exceptional items	-	-
Profit/(Loss) before extraordinary items and tax	14.07	25.89
Less: Extraordinary items	-	-
Profit/(Loss) before tax	14.07	25.89
Less: Tax Expenses		
Current Tax	3.23	(0.51)
MAT Credit	4.24	19.43
Deferred Tax	2.26	5.33
Profit after Tax	6.09	3.39
Earnings per share (excluding extraordinary items) (of ₹ 10/- each) Basic and Dilluted	0.06	0.03

FINANCIAL CONDITION AND RESULTS OF OPERATION

During the year under review your Company's revenue, comprising of sales and other income was ₹ 4,390.13 lacs as compared to ₹ 7,061.89 lacs in the previous year. The Profit before exceptional and extraordinary items and tax was ₹ 14.07 lacs as compared to ₹ 25.89 lacs in the previous financial year. The net profit for the year under review was ₹ 6.09 lacs against ₹ 3.39 lacs in the previous year.

DIVIDEND

In view of the requirement of funds for business operations of the Company, your Directors have not recommended any dividend for the year under review.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2013-14, 10(ten) meetings of the Board of Directors of your company were held viz., 13th May, 2013; 22nd May, 2013; 31st July, 2013; 24th September, 2013; 25th September, 2013; 28th September, 2013; 1st November, 2013; 25th November, 2013; 18th January, 2014 and 7th February, 2014.

The maximum time gap between two consecutive Board Meetings did not exceed four months in compliance with clause 49(I)(C) of the Listing Agreement with the Stock Exchanges.

LISTING

The equity shares of your Company continue to be listed on the The Calcutta Stock Exchange Limited (CSE). Your Company has paid the annual listing fees for the year 2014 – 15 to the abovementioned Stock Exchange.

DEMATERIALIZED SHARES

The dematerialised shares of your Company are maintained by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Your Company has paid the annual custodial fees for the financial year 2014-15 to NSDL and CDSL.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given separately in the Annexure forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Board of Directors hereby confirms that:

- i) in the preparation of annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts for the financial year ended 31st March, 2014, have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES & INDUSTRIAL RELATIONS

The Company had no employee during the year ended 31st March, 2014 who was in receipt of remuneration in excess of the limit as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as annexed from time to time.

There have been cordial & harmonious industrial relations during the year.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange a Report on Corporate Governance and a Management Discussion and Analysis Report are annexed herewith forming part of this Report.

A certificate from the Auditors of the Company regarding compliance of mandatory requirements as per Clause 49 of the Listing Agreement is annexed to this Report.

AUDITORS

M/s. Rashmi & Co., Chartered Accountants, (Firm Registration No. 309122E), Auditors of your Company retire at the conclusion of ensuing Annual General Meeting. They have furnished to the Company a Certificate giving confirmation that their re-appointment, if made, will be within the criteria provided in Section 141 and 139 of the Companies Act, 2013. The Audit Committee and the Board of Directors of your Company recommend the re-appointment of M/s. Rashmi & Co., Chartered Accountants as the Statutory Auditor of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting based on remuneration as may be fixed subsequently by the Board of Directors.

AUDITORS' REPORT

The observations made in the Auditors' Report read with Notes to Accounts are self-explanatory and therefore, do not call for any further elucidation.



COST AUDITORS

The Board of Directors of your Company has appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal as the Cost Auditor of your Company in accordance with the provisions of Sections 139, 141 and 148 of the Companies Act, 2013 (corresponding to Sections 224 (1B) and 233B of the Companies Act, 1956) read with the Companies (Cost Records and Audit) Rules, 2014 and any other relevant provisions, rules, circulars issued by the Ministry of Corporate Affairs, to carry out audit of cost records of the Company for the financial year 2014-15 at a consolidated remuneration of ₹ 20,000/- (excluding applicable taxes) which shall be subject to ratification by the Members at the ensuing Annual General Meeting of your Company.

COST AUDIT REPORT

Your Company has filed the Cost Audit Report for the financial year 2012-13 with the Registrar of Companies, Ministry of Corporate Affairs in the prescribed form.

SECRETARIAL AUDIT

In compliance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of your Company, at its meeting held on 13th August, 2014, has appointed Ms. Priti Todi, Partner of P. S. & Associates, Practising Company Secretary, as the Secretarial Auditor of your Company to conduct the Secretarial Audit.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 (corresponding to Sections 255 & 256 of the Companies Act, 1956) and the Company's Articles of Association, Shri Susanta Sarkar (holding DIN – 06449312) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Sections 149, 152 and any all other applicable provisions of the Companies Act, 2013 and the rules made therein read with Schedule IV to the Companies Act, 2013, Shri Anshuman Dalmia (holding DIN - 00061573), Shri Vishal Bagri (holding DIN - 00078949) and Shri Mahesh Kumar Keyal (holding DIN – 00079253), whose period of office was liable to determination of retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 (corresponding to section 257 of the Companies Act, 1956), shall be appointed as Independent Directors of the Company not liable to retire by rotation, to hold office from the date of this Annual General Meeting till 31st March, 2019.

Your Company has received a declaration from Shri Anshuman Dalmia, Shri Vishal Bagri and Shri Mahesh Kumar Keyal, that they meet the criteria of independence as provided under Section 149(7) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement amended vide SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.

In the opinion of the Board, Shri Anshuman Dalmia, Shri Vishal Bagri and Shri Mahesh Kumar Keyal fulfils the conditions specified in the Companies Act, 2013 and rules made there under for their appointment as Independent Directors of the Company and they are independent of the management.

All the Directors have filed form MBP-1 with your Company as required under the Companies (Meetings of Board and its Powers) Rules, 2014.

A brief resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is incorporated in the Notice calling the said meeting.

KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company is required to have the

following Whole-time Key Managerial Personnel (KMP) and determine their terms and conditions including remuneration –

- a) Managing Director, Chief Executive Officer or Manager or in their absence, a Whole - time director
- b) Company Secretary
- c) Chief Financial Officer

The Board of Directors of your Company has appointed Shri Devendra Prasad Jajodia, Chairman & Managing Director, Ms. Prerna Sharma, Company Secretary as per the requirements of the Companies Act, 1956 and as per the requirements of the Listing Agreement with the Stock Exchanges. However, the aforesaid persons are required to be designated as Key Managerial Personnel (KMP) in compliance with the relevant provisions of the Companies Act, 2013. However, the aforesaid persons are required to be designated as Key Managerial Personnel (KMP) in compliance with the relevant provisions of the Companies Act, 2013. Therefore, in order to ensure compliance with the said provisions of the Companies Act, 2013, the Board of Directors of your Company, at its meeting held on 13th August, 2014, has designated the aforesaid persons as KMP w.e.f. the said date and further the Board of Directors of your Company at its meeting held on 13th August, 2014, appointed Mr. Vijay Singh as Chief Financial Officer of the Company and designated him as KMP w.e.f. the said date.

NOMINATION & REMUNERATION POLICY

The Board of Directors of your Company, at its meeting held on 27th May, 2014 has approved the Nomination & Remuneration Policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees based on the recommendations of the Nomination & Remuneration Committee. The said policy sets out the criteria for determining the qualifications, positive attributes, independence of a director as per Schedule IV of the Companies Act, 2013 as required under Section 178(3) of the said Act.

VIGIL MECHANISM UNDER THE WHISTLEBLOWER POLICY

In compliance with Section 177(9) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors at their meeting held on 27th May, 2014, has adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in the Company as well as provide them adequate safeguards against victimisation. The employees and directors shall report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy including:

- a) Manipulation of the data/records of the Company
- b) Misuse of company's properties, assets and resources
- c) Abuse of authority by any director/employee
- d) Leaking confidential information of the Company
- e) Violation of the Company's code of conduct or any rules/regulations/laws
- f) Forgery/fraud/corruption/Bribery
- g) Physical/emotional violence
- h) Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill

INTERNAL CONTROL AND AUDIT

The Company has proper and adequate systems of internal controls. The Internal Audit provides recommendations designed to add value to the organisation and follows up on the implementation of



the agreed audit recommendations. The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control environment across your company.

RISK MANAGEMENT

The Board of Directors of your Company at its meeting held on 27th May, 2014, has approved the Risk Management Policy of the Company and has adopted several strategies to mitigate risks and uncertainties. The risk management framework acts as an effective tool in mitigating the various risks to which the businesses are exposed to in the course of their operations as well as in their strategic actions. The Company has a continuous process to identify, analyse, evaluate and respond to possible future events or risks that might impact the achievement of objectives.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express and place on record their sincere appreciation for the valuable co-operation and support extended by the investors, banks, regulatory and government authorities, customers, suppliers and all other business associates.

Your Directors hereby acknowledge the dedicated efforts made by the workers, staff and executives of the Company and look forward to the future with confidence.

On behalf of the Board of Directors

Place : Kolkata
Date : 30th August, 2014

Devendra Prasad Jajodia
Managing Director
(DIN – 00045166)

Sanjiv Jajodia
Director
(DIN – 00036339)

ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014:

A. Conservation of energy:

- a) Energy conservation measures taken:

Continuous monitoring /optimization of energy conservation are undertaken at plant level.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

No additional investment is being made for reduction of consumption of energy.

- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

On account of the above measures, energy cost is expected to be reduced.

- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed.

B. Technology absorption :

The details of efforts made towards absorption of technology are given separately in this report in Form B.

C. Foreign exchange earnings and outgo :

- (a) Activities relating to exports, initiatives taken to exports, development of new export markets for products and services and export plans:-

The Company has been consistently endeavoring to increase its exports by exploring, creating and developing new market for the products.

- (b) The foreign exchange earned and used during the year under review are as under:

(₹ in Lacs)

Particulars	2013-14	2012-13
(i) Earnings	747.19	2,629.88
(ii) Outgo	Nil	Nil



FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy.

A. Power and fuel consumption:

Particulars	2013-2014	2012-2013
Electricity		
Units Purchased	12,91,034	13,97,760
Total amount (₹)	1,15,28,637	1,19,65,249
Rate / unit (₹)	8.93	8.56

B. Electricity Consumption per unit (MT) of production:

Particulars	2013-2014	2012-2013
Steel Flats, Rounds etc.	145	103

ANNEXURE

Form B

Form for Disclosure of Particulars with respect to Technology Absorption.

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company:

No R & D was carried out within the meaning of applicable accounting standard.

2. Benefits derived as results of the above R & D:

Not applicable.

3. Future Plan of action:

To continue its efforts for energy conservation measures.

4. Expenditure on R & D :

Not applicable

Technology absorption, adaptation and innovation:

a) Efforts, in brief, made towards technology absorption, adaptation and innovation:

Continuous efforts are being made towards improvements in existing production process.

b) Benefits derived as a result of the above efforts:

Due to above efforts there was improvement in quality of products.

c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished :

(i) Technology imported	:	Nil
(ii) Year of import	:	Not applicable
(iii) Has technology been fully absorbed?	:	Not applicable
(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	:	Not applicable

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

A report on Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement as entered into with the Stock Exchange for the Financial Year 2013-14 is as follows:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The sound corporate governance is an integral part of the philosophy of the company. The company follows good corporate governance practices in all spheres of its activities and operation with an objective of value creation for its stakeholders. The Management governs all the affairs of the company in a fair, honest, ethical, transparent and legal manner to ensure optimum utilization of available resources for maximizing benefits for all its stakeholders.

Recently, the new Companies Act, 2013 which was notified on 30th August, 2013 intends to modernize India's Corporate Governance rules and demonstrates a commitment to usher in a new era of Corporate Regulation. Further Clause 49 of the Equity Listing Agreement also stands amended in terms of SEBI Circular No.: CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 effective from 1st October, 2014, to bring in additional corporate governance norms providing stricter disclosures and protection of investor rights for listed entities and to encourage companies to 'adopt best practices on corporate governance'.

The Company has well defined code of conduct for its employee as well as its Directors. The corporate structure, business and disclosure practices at the company are in complete adherence to its corporate governance philosophy. The company is committed to transparency in all its dealings and places emphasis on business ethics.

Compliance with Corporate Governance Guidelines

The Company is in compliance with the requirements of the prevailing and applicable Corporate Governance Code. The Company's compliance in terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges is presented in the subsequent sections of this report.

1. BOARD OF DIRECTORS

The Board is in the process of reconstitution as prescribed under the new law i.e. Companies Act, 2013 and amended Equity Listing Agreement. Shri Devendra Prasad Jajodia being Promoter Executive Chairman heads the Board. The Board consists of a combination of executive & non-executive directors and independent director. The Board is in the process of reconstitution as prescribed under the new law i.e. Companies Act, 2013 and amended Equity Listing Agreement.

The Independent Non-Executive Directors fulfil the conditions of independence specified in section 149(6) of the Companies Act, 2013 and Rules made there under and meets with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

As on 31st March, 2014 the Board comprises of 7(seven) directors out of which 1(one) is Promoter Executive Director, 2(two) are Promoter Non-Executive Directors, 3(Three) are Independent Non-Executive Directors and 1(one) is Professional Executive Director.

During the financial year 2013-14, the Board met 10(ten) times on 13th May, 2013; 22nd May, 2013; 31st July, 2013; 24th September, 2013; 25th September, 2013; 28th September, 2013; 1st November, 2013; 25th November, 2013; 18th January 2014 and 7th February, 2014. The maximum time gap between two consecutive board meetings did not exceed four months.

The details of composition of the present Board of Directors of the Company, attendance of each Director at the Board Meetings and at the last Annual General Meeting and the number of other directorships and Board Committee Memberships/Chairmanships held by them in various companies during the financial year 2013-14 are as follows:



Name of Directors	Category of Directorship	Attendance Particulars		Number of other Directorships and Committee Memberships / Chairmanships		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri Devendra Prasad Jajodia, Managing Director (DIN - 00045166)	Promoter Executive Director	10	Yes	2	–	–
Shri Sanjiv Jajodia (DIN – 00036339)	Promoter Non-Executive Director	10	Yes	11	–	2
Shri Gourav Jajodia (DIN – 00028560)	Promoter Non-Executive Director	10	Yes	4	–	–
Shri Vishal Bagri (DIN – 00078949)	Independent Non-Executive Director	4	No	1	1	–
Shri Anshuman Dalmia (DIN – 00061573)	Independent Non-Executive Director	10	Yes	–	–	–
Shri Mahesh Kumar Keyal (DIN – 00079253)	Independent Non-Executive Director	10	Yes	–	–	–
Shri Susanta Sarkar (DIN – 06449312)	Professional Executive Director	5	No	–	–	–

As required by Clause 49 IV(G) of the Listing Agreement, the details of directors seeking appointment/re-appointment in the Thirty-Sixth Annual General Meeting are given in the notice to the said Meeting.

Shri Vijay Singh, was appointed as the Chief Financial Officer of the Company w.e.f. 13th August, 2014 and was thereby designated as a Key Managerial Personnel w.e.f. 13th August, 2014 pursuant to Section 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions and rules, if any, of the Companies Act, 2013.

As per declarations received by the Company, none of the independent directors/non-promoter directors are related to each other or to the promoters in terms of the definition of the 'relative' given under the Companies Act, 1956. Shri Sanjiv Jajodia and Shri Devendra Prasad Jajodia are related as brother and Shri Gourav Jajodia is son of Shri Devendra Prasad Jajodia.

None of the Directors on the Board is a member of more than 10 Board-level committees or Chairman of more than 5 committees as specified in Clause 49 I(C) of the Listing Agreement across all the Companies in which he is a director. Membership(s)/Chairmanship(s) of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies (excluding Chandi Steel Industries Limited) have been considered.

Number of other directorships held by the directors, as mentioned above, do not include alternate directorship, directorships of private companies, Section 25 companies and of companies incorporated outside India and are based on the latest declarations received from the Director.

2. BOARD COMMITTEES

In accordance to the provisions of Companies Act, 2013 and rules made therein, and amendments to the Equity Listing Agreement, the Board of Directors, at their meeting held on 27th May, 2014, has revised the terms of reference of the Audit Committee, changed the nomenclature of the 'Share Transfer Cum Investors' Grievance Committee' to 'Stakeholders Relationship Committee', changed the nomenclature of the 'Remuneration Committee' to 'Nomination & Remuneration Committee', its composition and terms of reference.

The minutes of the meetings of all Committees are placed before the Board for review and the recommendations of the committee are placed before the Board for its consideration and approval. The Board has constituted the following Committees:

◆ **Audit Committee**

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 26th May, 2014, has approved new terms of reference for the Audit Committee ('the committee') and thereupon the revised terms of reference of the committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

The committee acts as a link between the Management, the Statutory and Internal Auditors, the Cost Auditors and the Board of Directors. The majority of members of Audit Committee including the chairperson have requisite financial knowledge and expertise. The Committee is headed by Shri Anshuman Dalmia, an Independent Non-Executive Director who was present at the last Annual General Meeting of the Company. As on 31st March, 2014, the Committee comprises of 3(three) directors who are Independent Non-Executive Directors.

Ms. Prerna Sharma, Company Secretary of the Company, is the Secretary to the Audit Committee. During the financial year 2013-14, the Committee met 4(four) times on: 22nd May, 2013; 31st July, 2013; 1st November, 2013 and 7th February, 2014. The necessary quorum was present at the meetings.

The composition of the Audit Committee and the attendance of the members at the meetings of the committee during the financial year 2013-14 are given below:

Name of the Members	Position / Category	No. of Meetings attended
Shri Anshuman Dalmia	Chairman, Independent, Non-Executive	4
Shri Vishal Bagri	Member, Independent, Non-Executive	3
Shri Mahesh Kumar Keyal	Member, Independent, Non-Executive	4

The revised terms of reference of the committee are as follows:-

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to matters as specified in the Companies Act, 2013 and the revised Clause 49 of the Equity Listing Agreement;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the vigil mechanism under Whistle Blower Policy of the Company;
19. 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.
20. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.
The committee is empowered, pursuant to its terms of reference:
 - I. To investigate any activity within its terms of reference;
 - II. To seek information from any employee;
 - III. To obtain outside legal or other professional advice;
 - IV. To secure attendance of outsiders with relevant expertise, if it considers necessary.

◆ **Stakeholder Relationship Committee (formerly Shareholders'/Investors' Grievance Committee)**

In accordance with SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 27th May, 2014, have changed the nomenclature of the 'Shareholders'/ Investors' Grievance Committee' to 'Stakeholders Relationship Committee', ('the committee').

The Committee looks into the redressal of shareholders and investors complaints pertaining to transfer of shares, non-receipt of dividend, annual report and other related complaints. The Committee is also empowered to review the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

As on 31st March, 2014, the Committee comprises of 3(three) Directors out of which 1(one) is Promoter Non-Executive Director, 1(one) is Promoter Executive Director and 1(one) is Independent Non-Executive Director. The Committee is presided by Shri Gourav Jajodia, Promoter Non-executive Director.

During the year under review the committee met 4(four) times on: 22nd May, 2013; 31st July, 2013; 1st November, 2013 and 7th February, 2014. The necessary quorum was present at the meetings.

The composition of the Committee and the attendance of the members at the meetings of the Committee during the financial year 2013-14 are given below:

Name of the Members	Position / Category	No. of Meetings attended
Shri Gourav Jajodia	Chairman, Promoter, Non-executive	4
Shri Devendra Prasad Jajodia	Member, Promoter, executive	4
Shri Anshuman Dalmia	Member, Independent, Non-executive	4

Ms. Perna Sharma, Company Secretary, is the Compliance Officer of the Company.

Investor Grievances:	
No. of Complaints received from Investors for the period 01.04.13 to 31.03.14	: Nil
No. of complaints pending/ unresolved	: Nil
No. of pending share transfer	: Nil

◆ **Nomination & Remuneration Committee (formerly Remuneration Committee)**

In accordance with Section 178(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 27th May, 2014, has changed the nomenclature of the 'Remuneration Committee' to 'Nomination & Remuneration Committee', ('the committee') its composition and terms of reference and thereupon the revised terms of reference of the committee are in conformity with the requirements of Clause 49 (IV)(B) of the revised Listing Agreement and Section 178(5) of the Companies Act, 2013.

The committee oversees the company's nomination process, discuss, approve and recommend the appointment, re- appointment of Executive Directors and determine the remuneration packages of the Executives Directors. The revised terms of reference of the committee are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment, removal and shall carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes, independence of directors; and
3. To recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees.

The committee is headed by Shri Anshuman Dalmia, an Independent Non-Executive Director of the Company. As on 31st March, 2014, the Committee comprises of 3(three) directors who are Independent Non-Executive Directors.

During the year under review no meeting of the committee was held.

The composition of the committee during the financial year 2013-14 are given below:

Name of Members	Position / Category
Shri Anshuman Dalmia	Chairman, Independent, Non-Executive
Shri Vishal Bagri	Member, Independent, Non-Executive
Shri Mahesh Kumar Keyal	Member, Independent, Non-Executive

The Company pays remuneration by way of salary and perquisites to its Directors, Key Managerial Personnel and other employees. No sitting fees are paid to Non-Executive Directors.

The details of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2014 are as follows:

Name	No. of shares held in the company
Shri Sanjiv Jajodia	1,447,498
Shri Gourav Jajodia	600,000

3. GENERAL BODY MEETING



◆ Annual General Meeting

The details of venue, date and time of the Annual General Meeting of the Company held during the preceding three financial years are as follows:

Financial Year	Venue	Date	Time
2012-2013	Regd. Office : 3, Bentinck Street, Kolkata - 700 001	28.09.2013	2:00 p.m.
2011-2012	Regd. Office : 3, Bentinck Street, Kolkata - 700 001	29.09.2012	2:00 p.m.
2010-2011	Regd. Office : 3, Bentinck Street, Kolkata - 700 001	29.09.2011	11:30 a.m.

Special Resolutions

The following Special Resolution was taken up in the last three Annual General Meetings and was passed with the requisite majority.

• 2011-12

Re-appointment of Shri Devendra Prasad Jajodia as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2012 on terms and conditions and remuneration as mentioned in the agreement dated 11th August, 2012.

• 2010-11

Approval u/s 372A of the Companies Act, 1956 to make loan(s) and/or give any guarantee(s)/ provide any security(ies) given in connection with loan made shall not exceed a sum of Rs. 150 crores singly and in aggregate shall not exceed a sum of Rs. 300 crores. The said resolution was passed through Postal Ballot, the result of which was declared by the Chairman at the Annual General Meeting held on 29th September, 2011.

◆ Extra-ordinary General Meeting

The details of venue, date and time of the Extra-ordinary General Meeting (EGM) of equity shareholders of the Company held during last three years are as follows:

Financial Year	Venue	Date	Time
2012-13	Regd. Office : 3, Bentinck Street, Kolkata- 700 001	Monday, 28th May, 2012	11:00 a.m.

Special Resolutions

The following Special Resolution was taken up in the last three Extra-ordinary General Meetings and was passed with the requisite majority.

• 2012-13

Approval for keeping the Register of Members, Index of Members etc., and Annual Return under Section 159 and 160 of the Companies Act, 1956 at the office of Registrar and Share Transfer Agent as may be appointed from time to time.

4. POSTAL BALLOT

No special resolution was passed through postal ballot in the last Annual General Meeting. There is no proposal to pass any Special Resolution which requires passing by postal ballot in the forthcoming Annual General Meeting of the Company.

5. DISCLOSURE

◆ Related Party Disclosure

Information regarding Related Party Transactions is given in annexed Audited Accounts under Note 32 relating to Notes to financial accounts. There were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their relatives etc. that may have potential conflict with the interest of the Company at large.

◆ Capital Market Disclosure

The Company has complied with the requirements of Stock Exchange, SEBI and other statutory authorities on the matters relating to capital markets during last three years and consequently no penalties or strictures have been imposed on the Company by these authorities.

◆ **Vigil Mechanism under the Whistleblower policy**

In compliance with Section 177(9) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (effective from October 1, 2014), the Board of directors at their meeting held on 27th May, 2014, has adopted a Whistle Blower Policy for Directors and Employees to report their genuine concerns or grievances against any wrong doing in the Company as well as provide them adequate safeguards against victimisation. The employees and directors shall report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy including:

- a) Manipulation of the data/records of the Company
- b) Misuse of company's properties, assets and resources
- c) Abuse of authority by any director/employee
- d) Leaking confidential information of the Company
- e) Violation of the Company's code of conduct or any rules/regulations/laws
- f) Forgery/fraud/corruption/Bribery
- g) Physical/emotional violence
- h) Any other matter that might cause financial/non-financial loss to the director/employee of the Company or might impact their goodwill

The Audit Committee of the Company shall oversee the vigil mechanism under the Whistle Blower Policy.

◆ **Compliance with Mandatory Requirements**

The Company has complied with the mandatory requirements as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, to the extent these apply to the Company.

◆ **Disclosure of Accounting Treatment**

The Company has complied with all the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.

◆ **Code of Conduct**

The Board has formulated adequate Code of Conduct for Board Members and Senior Management Personnel. All the concerned persons had affirmed the compliance of the provisions of the said Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

◆ **Risk Management**

Risk evaluation and management is an ongoing process within the company. It is periodically reviewed by the board.

◆ **Management Discussion and Analysis Report**

The Management Discussions and Analysis Report forms part of this Annual Report and is annexed separately.

6. RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practising Company Secretary, Mrs. Premlata Soni carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

7. CEO/CFO CERTIFICATION

Shri Devendra Prasad Jajodia, Managing Director of the Company has submitted a certificate to the Board as required under Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for



the financial year ended 31st March, 2014.

8. MEANS OF COMMUNICATION

In accordance with Listing Agreement of Stock Exchange, Company's quarterly, half-yearly, annual audited and, or unaudited results and the information relating to Annual General Meeting, Book Closures and other relevant information are notified to Stock Exchange and are published in the format as prescribed in Clause 41 of the Listing Agreement with Stock Exchange in the following newspapers:

Financial Express (English language)

Dainik Statesman (Vernacular Language)

The annual report, quarterly/half yearly results, shareholding patterns etc. of the company are also posted on the website of the Company i.e. www.jaibalajigroup.com. As per clause 47(f) of Listing Agreement and SEBI Circular No.MRD/Dop/SE/DEP/CIR-22/06 the Company has created exclusive e-mail id for grievance redressal which is chandi@jaibalajigroup.com.

9. GENERAL SHAREHOLDER INFORMATION

Day, date and time of Annual General Meeting :	Tuesday, 30th day of September, 2014 at 11:00 a.m.	
Venue of Annual General Meeting	Registered Office; 3, Bentinck Street, Kolkata – 700 001	
Financial calendar (tentative) for the year 2014-15	April, 2014 to March, 2015	
	The probable dates for the publication of the Financial Results for the financial year 2014-15:	
	1st Quarter Results	On 13th August, 2014
	2nd Quarter Results	On or before 14th November, 2014
	3rd Quarter Results	On or before 14th February, 2015
	Annual Results	On or before 30th May, 2015
Date of Book Closure	Saturday, 27th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive)	
Date of Dividend Payment	N.A.	
Listing of Equity Shares on Stock Exchange	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata- 700 001	
Stock code for Equity Shares	10013341	
The Company has duly paid Annual Listing Fees for the financial year 2014-15 to the said stock exchange.		
Depositories	National Securities Depository Ltd.(NSDL) 'A' Wing, Trade World, 4th floor Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	
	Central Depository Services (India) Limited (CDSL) Phirozee Jeejeebhoy Towers, Dalal Street, 17th Floor, Mumbai- 400 001	
Demat ISIN Number in NSDL & CDSL	INE204G01017	
The Company has paid Annual Custodial Fees to each of the above depositories for the financial year 2014-15.		
Corporate Identification Number(CIN)	L13100WB1978PLC031670	
Stock Market Price Data	There was no trading during the period April, 2013 to March, 2014.	
Registrar and Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor (Surendra Mohan Ghosh Sarani) Kolkata – 700 001	

Share Transfer System	98.03% of the equity shares of the Company are in electronic mode. Transfer of these shares is done through the depositories. As regards transfer of shares held in physical form the transfer documents can be lodged with the Registrar & Share Transfer Agent at the above mentioned address. The transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects.
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10. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014

Category	No. of Shares held	Percentage of Shareholding
A. Promoters Holding		
Promoters		
a) Indian Promoters	50,40,698	47.83
b) Foreign Promoters	Nil	Nil
c) Person acting in concert	Nil	Nil
Sub Total	50,40,698	47.83
B. Non Promoters Holding		
a) Institutional Investors	Nil	Nil
b) Mutual Funds & UTI	Nil	Nil
c) Bank, Financial Institutions, Insurance Companies, Central / State Govt., Non-Govt. Inst.	Nil	Nil
d) Qualified Foreign Investor	Nil	Nil
e) Foreign Institutional Investor	Nil	Nil
Sub Total	Nil	Nil
C. Others		
a) Bodies Corporate	5,232,400	49.64
b) Indian Public	2,66,902	2.53
c) Qualified Foreign Investor	Nil	Nil
d) Any others	Nil	Nil
Sub Total	54,99,302	52.17
Grand-Total	1,05,40,000	100.00

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

Range of Ordinary Shares Held	Total Shareholders (Physical + Demat)			
	Holders	Percentage	No. of Shares	Holding Percentage
1 to 500	623	93.68	1,47,600	1.40
501 to 1000	8	1.20	7,300	0.07
1001 to 2000	–	–	–	–
2001 to 3000	–	–	–	–
3001 to 4000	–	–	–	–
4001 to 5000	–	–	–	–
5001 to 10000	1	0.15	6,402	0.06
10001 to 50000	9	1.35	2,28,200	2.17
500001 to 100000	2	0.31	1,42,300	1.35
1000001 to above	22	3.31	1,00,08,198	94.95
Total	665	100.00	1,05,40,000	100.00



12. DEMATERIALIZATION OF SHARES AS ON 31ST MARCH, 2014 AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The equity shares of the Company represents 98.03% of the Company's Share Capital in dematerialized form as on 31st March, 2014 details of which are as follows:

Depositories	Equity Shares	Percentage (%)
NSDL	8,748,900	83.01
CDSL	1,582,900	15.02

13. **OUTSTANDING GDRS / ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY** : N.A.
14. **DETAILS OF UNCLAIMED SHARES** : N.A.
15. **PLANT LOCATION** : 16, Belur Road, Liluah, Howrah
16. **ADDRESS FOR CORRESPONDENCE** : Ms. Prerna Sharma
Company Secretary
3, Bentinck Street,
Kolkata – 700 001
Tel : (033) 2248 8173 / 9808
Fax: (033) 2243 0021
Email : prerna.sharma@jaibalajigroup.com

17. COMPLIANCE OF NON- MANDATORY REQUIREMENT

- ◆ **Audit Qualification**
Nil
- ◆ **Shareholder Rights**
Half-yearly results including summary of the significant events are presently not being send to shareholders of the Company. However, these are posted on the company's website at www.jaibalajigroup.com.
- ◆ **Auditors' Certificate on Corporate Governance**
The Company has received a certificate, annexed to the Directors' Report, from the Statutory Auditors of the Company testifying to its compliances with the provisions relating to Corporate Governance as stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchanges.

On behalf of the Board of Directors

Place : Kolkata
Date : 30th August, 2014

Devendra Prasad Jajodia
Managing Director
(DIN – 00045166)

Sanjiv Jajodia
Director
(DIN – 00036339)

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, this is to confirm that a Code of Conduct has been laid down by the Board of Directors of Chandi Steel Industries Limited, which has been made applicable to all the Directors and the Senior Management Personnel of the Company.

The Code of Conduct has been affirmed to by all the members of the Board and the Senior Management Personnel of the Company.

Place : Kolkata
Date : 27th May, 2014

Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members of **Chandi Steel Industries Limited**

We have examined the compliance of conditions of corporate governance by Chandi Steel Industries Limited ('the Company'), for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rashmi & Co.
Firm Regn. No. 309122E
Chartered Accountants

CA Sandeep Agarwal
Partner
Membership No. : 065643

Place : Kolkata
Date: 30th August, 2014



CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Devendra Prasad Jajodia, Managing Director and Chief Executive Officer and discharging the duties of Chief Financial Officer of Chandi Steel Industries Limited, to the best of my knowledge and belief, certify that:-

1. We have reviewed the financial statements and all its schedules and notes on accounts as well as the cash flow statements, for the year ended 31st March, 2014;
2. Based on our knowledge and information, these statements do not contain any untrue statement and do not omit any material fact which may make the statements or figures contained therein misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company for the financial year ended 31st March, 2014, and are in compliance with the existing accounting standards and/or applicable laws and regulation;
4. To the best of our knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. That we accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the step that we have taken or propose to take to rectify the identified deficiencies and;
6. That we have informed the auditors and the audit committee of :
 - i) significant changes in the internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : Kolkata
Date : 27th May, 2014

Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is engaged in manufacturing marketing of Iron & Steel products. Your Directors present the Management discussion and analysis report as under:

INDUSTRY STRUCTURE & DEVELOPMENTS

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The Demand for steel for the rest of the world in 2013 remained much lower than expected. The growth was more robust during the second half of the financial year. The rate of growth was slower than expected as compared to 3.2% in the previous financial year.

In addition to the growth slowdown, inflation continued to pose significant challenges. The prolonged slowdown was a result of factors such as policy log-jam, tight monetary conditions, falling rupee and weak external demand.

India's growth declined from an average of 8.3 per cent per annum during 2004-05 to 2011-12 to an average of 4.6 per cent in 2012-13 and 2013-14. India remained the 4th largest steel producing country in the world.

OUTLOOK

The Steel Industry continues to face challenge from different parts of the world. The Indian economy's outlook for 2013-14 can be viewed as cautiously optimistic. Developments on external account have generated some optimism that the Indian economy is better prepared to confront the challenges of global policy reversals. Global economy seemed to be continuing along the road to recovery. The global steel demand recovery continues but growth is stabilising at a lower rate with continued volatility and uncertainty leading to a challenging environment for steel companies. The growth came mainly from Asia and Middle East while crude steel production in all other regions decreased in 2013 compared to 2012.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Indian steel industry has diversified its product mix to include sophisticated value-added steel used in the automobile sector, heavy machinery and physical infrastructure. The industry is getting healthier, but its condition is still somewhat tenuous—and it will be important to keep a cautious eye on events as they unfold in the coming years.

While the steel consumption growth in India has been relatively resilient, slowing economic growth has meant a moderation in steel consumption growth rates. Also, the steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand & supply imbalances and volatile swings in market demand and prices, more recently exacerbated by swings in input prices as well as changes in the regulatory environment which is a matter of serious concern.

INTERNAL CONTROL AND THEIR ADEQUACY

The Company has proper and adequate systems of internal controls. The Internal Audit provides recommendations designed to add value to the organisation and follows up on the implementation of the agreed audit recommendations. The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control environment across your company.

HUMAN RESOURCES

The Human Resource Development policies and practices focus on contemporary and pragmatic people centric initiatives, aligning it with business vision and objectives, which primarily help in creating robust organizational structure and aims at optimum utilization of resources. The Company recognizes the Human



Resources as its most important asset and is constantly engaged in enriching the value and developing competencies of Human Resources through various development strategies. Your Company recognizes the fact that manpower is the biggest strength and their proper nurturing is necessary for the success of the Organization.

FINANCIAL PERFORMANCE

During the year under review the Company has earned revenue comprising of sales and other income of ₹ 4,390.13 lacs. The Profit before Tax was ₹ 14.07 lacs as compared to ₹ 25.89 lacs in the previous year. The Net Profit for the year under review was ₹ 6.09 lacs.

CAUTIONARY STATEMENT

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

INDEPENDENT AUDITORS' REPORT

To

The Members of Chandi Steel Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Chandi Steel Industries Limited ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, **but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control**. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2014
- ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India.
 - e) On the basis of written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For, **Rashmi & Co.**
Chartered Accountant
FRN- 309122E

CA Sandeep Agarwal
(Partner)
Membership No. 065643

Place: Kolkata
Dated: 27th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available informations.
- (b) All fixed assets have been physically verified by the management during the period but there is a regular programme of verification in a phased manner to cover all the items of fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of substantial part of fixed assets during the period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company had granted loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹ 1826.37 lacs and the period end balance in respect of such loan is ₹ 1826.37 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
- (c) The above loan is stated to be re-payable on demand. We are informed that, the Company has received back the amount of loan to the extent demanded by it and thus there has been no default on the part of such party to whom the money has been lent. The payment of interest has been regular.
- (d) As the party has repaid the amount of loan whenever demanded, therefore there is no overdue amount for the above loan granted to a Company listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken loans from company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 3245.92 lacs and yearend balance in respect of such loan is ₹ 3245.92 lacs.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that some of the items purchased are of a special nature and alternative sources do not exist for obtaining quotations thereof, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or any continuing failure to correct any major weakness in internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act 1956, that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs, entered into during the financial period, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) The Company has an effective internal audit system commensurate with the nature and size of the Company.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities, except that there have been delays in deposit of dues in certain cases of income tax, provident fund and employees' state insurance.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales- tax, service tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the period-end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of sales-tax, service tax, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	CENVAT Credit Disallowed	18.32	2008-09	Addl. Commissioner, Central Excise
Central Excise Act, 1944	Irregular Availment of Service Tax Credit	137.80	2009-10,	Commissioner of Central Excise and Service Tax
The West Bengal Value Added Tax Act, 2003	Turnover Enhanced/ITC disallowed/ Penalty	581.99	2009-10, 2010-11 and 2011-12	West Bengal Appellate and Revision Board
The Central Sales Tax Act, 1956	Pending Forms	33.35	2005-06, 2006-07, 2008-09 and 2009-10	West Bengal Appellate and Revision Board.
The West Bengal Value Added Tax Act, 2003	Turnover Enhanced/ITC disallowed	23.39	2005-06, 2006-07, 2008-09 and 2009-10	Sr. Joint Commissioner Sales Tax, Appeal, Chowringhee Circle
The Central Sales Tax Act, 1956	Pending Forms	34.47	2007-08 and 2010-11	Sr. Joint Commissioner Sales Tax, Appeal, Chowringhee Circle
Income Tax Act, 1961	U/s. 271(1) (C)	19.98	2009-10	Appeal before CIT (A) Central – II, / Kolkata

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution and bank. Further the company did not have any outstanding debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The company has given guarantee for loan of ₹ 5427.00 lacs to SBI, Jamshedpur taken by associate company i.e Nilachal Iron & Power Ltd. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- (xvi) The company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have outstanding debentures during the period.
- (xx) The Company has not raised any money through public issue during the period.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

For, **Rashmi & Co.**
Chartered Accountant
FRN- 309122E

CA Sandeep Agarwal
(Partner)
Membership No. 065643

Place: Kolkata
Dated: 27th May, 2014

**BALANCE SHEET AS AT MARCH 31, 2014**

(₹ in lacs)

	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,053.62	1,053.62
Reserves and Surplus	4	442.41	436.32
		1,496.03	1,489.94
Non Current Liabilities			
Long Term Borrowings	5	2,600.00	2,200.00
Deferred Tax Liabilities (Net)	6	106.32	102.08
		2,706.32	2,302.08
Current Liabilities			
Short Term Borrowings	7	1,634.47	1,396.72
Trade Payables	8	3,623.03	3,791.82
Other Current Liabilities	8	249.96	463.15
Short Term Provisions	9	7.79	18.24
		5,515.25	5,669.93
TOTAL		9,717.60	9,461.95
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	1,403.60	1,410.68
Capital Work in Progress	10	3,414.78	2,990.91
Long Term Loans and Advances	11	36.34	24.91
		4,854.72	4,426.50
Current Assets			
Inventories	12	1,102.05	1,442.43
Trade Receivables	13	837.47	992.91
Cash and Bank Balances	14	269.59	382.09
Short Term Loans and Advances	11	2,630.38	2,153.69
Other Current Assets	15	23.39	64.33
		4,862.88	5,035.45
TOTAL		9,717.60	9,461.95
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **Rashmi & Co.**
Firm Regn. No. 309122E
Chartered Accountants
CA Sandeep Agarwal
Partner
Membership No. 065643

Devendra Prasad Jajodia
Managing Director
(DIN – 00045166)

Sanjiv Jajodia
Director
(DIN – 00036339)

Purna Sharma
Company Secretary

Place : Kolkata
Date : May 27, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014 (₹ in lacs)

	Notes	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
Revenue from Operations (Gross)	16	4,749.95	7,883.67
Less: Excise Duty	16	401.00	859.54
Revenue from Operations (Net)		4,348.95	7,024.13
Other Income	17	41.18	37.76
Total Revenue (I)		4,390.13	7,061.89
EXPENSES			
Cost of Materials Consumed	18	3,009.31	5,846.61
Changes in Inventories of Finished Goods	19	143.29	(307.55)
Employee Benefits Expense	20	142.16	154.50
Finance Costs	21	243.84	223.57
Depreciation	10	78.49	74.51
Other Expenses	22	758.97	1,044.36
Total Expenses (II)		4,376.06	7,036.00
Profit before Tax (I-II)		14.07	25.89
Tax Expenses:			
Current Tax Expenses [Including ₹ 0.56 lacs (₹ 14.61 lacs) for earlier Year]		3.23	19.43
Less : MAT Credit Entitlement		(0.51)	2.26
Net Current Tax Expenses		3.74	17.17
Deferred Tax		4.24	5.33
Total Tax Expense		7.98	22.50
Profit for the period		6.09	3.39
Earnings per Equity Share: (Nominal Value per Share ₹10)			
Basic & Diluted		0.06	0.03
Significant Accounting Policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Rashmi & Co.**
Firm Regn. No. 309122E
Chartered Accountants
CA Sandeep Agarwal
Partner
Membership No. 065643

Place : Kolkata
Date : May 27, 2014

For and on behalf of the Board of Directors

Devendra Prasad Jajodia **Sanjiv Jajodia**
Managing Director Director
(DIN – 00045166) (DIN – 00036339)

Prerna Sharma
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	2013-14	2012-13
A Cash Flow From Operating Activities		
Net Profit Before Taxes	14.07	25.89
Adjustments For :		
Depreciation	78.49	74.51
Irrecoverable Debts Written off	22.13	–
Liabilities no longer required written back	(1.50)	(9.91)
Interest on Term Loans and Others	243.84	223.57
Insurance Claims	(8.80)	–
Prior Period Expenditure (net)	0.14	–
Gain / (Loss) on Foreign Exchange Fluctuations (Net)	(12.98)	7.65
Interest Income	(17.33)	(27.51)
Operating Profit Before Working Capital Changes	318.06	294.20
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	146.29	(201.47)
Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets	(452.24)	2,790.04
Decrease / (Increase) in Inventories	340.38	(365.27)
(Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions	(340.16)	(1,341.79)
Cash Generated From Operating Activities	(305.73)	881.51
Direct Taxes paid (net of refunds)	(9.21)	(28.01)
Net Cash generated from Operating Activities	3.12	1,147.70
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(537.39)	(672.37)
Interest received	27.86	26.43
Net Cash Used In Investing Activities	(509.53)	(645.94)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	2013-14	2012-13
C Cash Flow From Financing Activities		
Repayment of long / short term Borrowings	637.75	(196.07)
Interest Paid	(243.84)	(223.57)
Net Cash generated from Financing Activities	393.91	(419.64)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(112.50)	82.12
Cash and Cash Equivalents as at the beginning of the year	382.09	299.97
Cash and Cash Equivalents as at the end of the year	269.59	382.09
Components of cash and cash equivalents		
Cash on hand	4.66	10.90
Cheques in hand	36.13	87.41
Balance with Scheduled Banks on:		
Current Account	–	3.54
Fixed Deposit Account	228.80	280.24
Cash and Bank Balances as per Note 14	269.59	382.09
Less : Fixed deposits not considered as cash equivalents	–	–
Cash and Cash Equivalents in Cash Flow Statement:	269.59	382.09

As per our report of even date

For **Rashmi & Co.**
 Firm Regn. No. 309122E
 Chartered Accountants
CA Sandeep Agarwal
 Partner
 Membership No. 065643

Place : Kolkata
 Date : May 27, 2014

For and on behalf of the Board of Directors

Devendra Prasad Jajodia Managing Director (DIN – 00045166)	Sanjiv Jajodia Director (DIN – 00036339)
Perna Sharma Company Secretary	



NOTES ON FINANCIAL STATEMENTS

NOTE 1 & 2 : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES.

1 CORPORATE INFORMATION:

Company engaged in Manufacturing/ Trading of Steel Rolled Products & Coal mining operation Plant Located in 16, Belure Road, Liluah, Howrah, West Bengal.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF ACCOUNTING

The accounts are prepared on accrual basis under the historical cost conventions in accordance with Indian Generally Accepted Accounting Policies (GAAP) comprising of mandatory Accounting Standard issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 except otherwise stated. The Preparation/Presentation of financial statements requires estimates & assumptions to be made that affect the reported amounts of Assets & Liabilities as well as revenues & expenses reported therein. Difference between the actual results and estimates are recognized and adjusted in the period in which results are known/ materialised.

2.2 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that economic benefits will pass on to the company and can be reliably measured. Sales is recognized when significant risk and rewards of ownership are transferred which is at the point of despatch of goods to the customers and includes excise duty and sales tax thereon net of rebates and discounts. Interest Income is accounted on time proportion basis.

2.3 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost is inclusive of duties (net of Cenvat), taxes, incidental expenses and erection/ commissioning expenses incurred upto the date the asset is ready for its intended use. Expenditure on addition, improvement and renewal of Fixed Assets are Capitalised at cost less Credit of Excise Duty and VAT on purchase of the relevant assets and impairment losses, if any. Expenditure for repairs and maintenance are charged to revenue account. Subsequent expense is capitalized only if such expenses result in an increase in the future benefits from the assets beyond its pre assessed standard of performance.

The carrying amounts are reviewed at each balance date when required to assets whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

2.4 DEPRECIATION

Depreciation has been provided upto 95% of the value of assets and on prorata basis for the period of use of the assets on straight-line method at the rates and in the manner prescribed under Schedule – XIV to the Companies Act, 1956. No depreciation is provided on Cenvat Credit of Excise Duty on purchase of capital goods.

2.5 INVENTORIES

Inventories of raw materials are valued at cost on Weighted Average basis and net realizable value whichever lower. Finished goods are valued at cost on Weighted Average basis or estimated net realizable value whichever is lower. The value of finished goods inside factory is inclusive of excise duty thereon. The Stock of Store is valued at cost on FIFO basis or estimated market value whichever is lower. The Stock of scrap is valued at net realizable value. Work-in-Process is valued at cost and net realizable value whichever lower. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

2.6 EXCISE DUTY

Cenvat Credit on input is adjusted with the cost of materials. Cenvat Credit on purchase of Capital Goods is reduced from the cost of such assets and no depreciation is charged thereon. Excise duty on manufactured goods is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance sheet date.

2.7 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of Fixed Assets are capitalised until the time all substantial activities necessary to prepare such assets for their intended use are complete and are charged to Profit & Loss when active development activity is interrupted. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

2.8 MISCELLANEOUS EXPENDITURE

Preliminary Expenses, if any, have been amortised equally as per prevailing Income Tax Law.

2.9 RETIREMENT BENEFITS

Company's Contribution to Provident Fund is accounted at cost on accrual basis. Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognized as a charge. The provision for gratuity to employee is made as per actuarial valuation, on the basis of the Payment of Gratuity Act, 1972.

2.10 TAXES ON INCOME

Income Tax for the current year is determined on the basis of taxable income and current tax rate in accordance with the provisions of Income Tax Act, 1961.

Deferred taxes is measured based on applicable tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation or tax losses, deferred tax assets are recognized for timing difference of other items, only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

2.11 CONTINGENCIES AND EVENTS AFTER BALANCE SHEET DATE

Contingent liabilities are not provided in the accounts but are separately disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the Audited Accounts.

2.12 FOREIGN CURRENCY TRANSCATIONS

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary asset and liabilities are translated at year end exchange rates. Any income or expense on account of exchange differences either on settlement or on translation of transactions other than those related to fixed assets is recognized in the profit & loss account.

2.13 IMPAIRMENT OF ASSETS

The carrying cost of cash generating units is reviewed for impairment when events or changes in circumstances indicate that the carrying cost may not be recoverable. Provision for impairment loss will be made and adjusted with the cost of assets on prorata basis only when the carrying cost of assets exceeds the expected recoverable amount.

2.14 The company has entered into a long term contract for coal mining operation with West Bengal Mineral Development and Trading Corporation Limited (WBMDTC) for a period of 30 years. The amount of ₹ 3,414.73 lacs has been incurred on the said project till 31/03/2014 which is shown under Capital Work-In-Progress under Notes – 9.



NOTES TO FINANCIAL STATEMENTS

Note 3 : Share Capital

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised capital 12,000,000 (12,000,000) Equity Shares of ₹ 10/- each	1,200.00	1,200.00
Issued, subscribed and fully paid-up capital 10,540,000 (10,540,000) Equity Shares of ₹ 10/- each	1,054.00	1,054.00
Less: Calls unpaid (Due from other than directors or officers)	0.38	0.38
Total	1,053.62	1,053.62

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
Equity Shares of ₹ 10/- each At the beginning of the period	10,540,000	1,053.62	10,540,000	1,053.62
Call money received during the period	—	—	—	—
At the end of the year	10,540,000	1,053.62	10,540,000	1,053.62

(b) Terms/rights attached to equity shares

The Company has only one class of ordinary shares (equity shares) having at par value of ₹ 10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the share holders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Sanjiv Jajodia	1,447,498	13.73	1,447,498	13.73
Gaurav Jajodia	600,000	5.69	600,000	5.69
Sangeeta Jajodia	600,000	5.69	600,000	5.69
Aashish Jajodia	556,500	5.28	556,500	5.28
	3,203,998	30.39	3,203,998	30.39

As per records of the Company, including its register of share holders / members, the above share holdings represents legal ownership of shares.

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at March 31, 2014 No. of Shares	As at March 31, 2013 No. of Shares
Equity Shares allotted as fully paid up for consideration other than cash	—	—

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

Note 4 : Reserves & Surplus

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Reserve		
As per last financial statements	34.92	34.92
General Reserve		
As per last financial statements	10.00	10.00
Surplus in Statement of Profit and Loss		
As per last financial statements	391.40	388.01
Add: Profit for the period	6.09	3.39
Surplus in Statement of Profit and Loss	397.49	391.40
Total	442.41	436.32

Note 5 : Long Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
Loans and Advances from related Parties(unsecured)	2,600.00	2,200.00
Total:	2,600.00	2,200.00

Long Term Unsecured Loan taken from Jai Balaji Jyoti Steels Limited with interest for Capital Work In Progress of the coal block development and will be repaid /adjusted on implementation of the project. The maximum amount outstanding at any time during the year ₹ 2,600.00 lacs (₹ 2,200.00 lacs)

Note 6 : Deferred Tax Assets / Liabilities (Net)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Asset		
Provision/Expenses allowable in future Under Income Tax Act.	3.49	4.87
Sub Total (B)	3.49	4.87
Deferred Tax Liability		
Timing Difference on Depreciable assets	109.81	106.95
Sub Total (A)	109.81	106.95
Deferred Tax Liabilities (Net) (A-B)	106.32	102.08



NOTES TO FINANCIAL STATEMENTS

Note 7 : Short Term Borrowings

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Loan Repayable on Demand		
- Cash Credit from Banks	988.55	988.08
Unsecured		
Loans & advances from related parties*	645.92	408.64
Total	1,634.47	1,396.72

Cash Credit facilities from banks are secured by pari-passu 1st charge over the entire current assets (both present and future) and 2nd charge over the entire fixed assets (both present and future) of the Company's and further secured by Personal Guarantees of Promoter Directors of the Company and Corporate Guarantee of Associate Company Jai Balaji Industries Ltd.

*(Refer Note 32)

Note 8 : Trade Payables and other Current Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables (Refer Note 27 for details due to Micro and Small Enterprises)	3,623.03	3,791.82
	3,623.03	3,791.82
Capital Creditors	50.40	101.31
Temporary Book Overdraft	14.79	–
Advance from Related Party *	52.05	125.00
Others		
- Statutory Dues Payable	14.78	107.43
- Excise Duty payable on Closing Stock	95.74	110.49
- Interest Others	–	0.02
- Due to Employees	22.20	18.90
	249.96	463.15
Total	3,872.99	4,254.97

*(Refer Note 32)

Note 9 : Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits:		
Gratuity (Refer Note 28)	5.81	14.00
Leave Salary	1.98	4.24
Total	7.79	18.24

NOTES TO FINANCIAL STATEMENTS

Note 10 : Tangible Assets

(₹ in lacs)

Particulars	Rate	Gross Block			DEPRECIATION			NET BLOCK	
		As at March 31, 2013	Addition	As at March 31, 2014	Up To March 31, 2013	For the period	Up To March 31, 2014	As at March 31, 2014	As at March 31, 2013
LAND	—	481.51	—	481.51	—	—	—	481.51	481.51
FACTORY SHED & BUILDING	3.34%	245.12	—	245.12	41.05	8.19	49.24	195.88	204.07
PLANT & MACHINERY	5.28%	657.02	22.01	679.03	258.48	35.23	293.71	385.32	398.54
FURNACE	5.28%	45.27	20.38	65.65	24.00	2.65	26.65	39.00	21.27
FURNITURE	6.33%	1.30	—	1.30	1.01	0.08	1.09	0.21	0.29
AIR CONDITIONER	4.75%	2.36	0.39	2.75	1.00	0.13	1.13	1.62	1.36
GENERATOR	4.75%	7.27	—	7.27	2.59	0.35	2.94	4.33	4.68
COMPUTER	16.21%	3.99	0.21	4.20	3.95	0.02	3.97	0.23	0.04
FAX MACHINE	4.75%	0.46	—	0.46	0.33	0.02	0.35	0.11	0.13
FORGING MACHINE	4.75%	3.91	—	3.91	3.04	0.19	3.23	0.68	0.87
STEEL ROLL	100%	613.71	18.48	632.19	612.05	13.45	625.50	6.69	1.66
OFFICE EQUIPMENT	4.75%	1.08	0.35	1.43	0.43	0.06	0.49	0.94	0.65
CRANE	4.75%	24.19	—	24.19	3.43	1.15	4.58	19.61	20.76
MOTOR CAR	9.50%	—	9.59	9.59	—	0.15	0.15	9.44	—
ELECTRICAL EQUIPMENT	4.75%	32.22	—	32.22	2.74	1.53	4.27	27.95	29.48
PRODUCER GAS PLANT	4.75%	289.62	—	289.62	44.25	15.29	59.54	230.08	245.37
TOTAL		2,409.03	71.41	2,480.44	998.35	78.49	1,076.84	1,403.60	1,410.68
Previous Year's Total		2,370.98	38.06	2,409.03	923.84	74.51	998.35	1,410.68	

CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2014	As at March 31, 2013
Coal Block		
Opening	2,990.91	2,356.79
Addition	423.86	634.12
TOTAL	3,414.78	2,990.91



NOTES TO FINANCIAL STATEMENTS

Note 11 : Loans and Advances

(₹ in lacs)

Particulars	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
(Unsecured, Considered Good)				
Capital Advances	12.23	0.29	–	–
Security Deposit	6.19	6.19	58.42	46.73
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	–	–	1,826.37	1,223.00
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	–	–	56.76	27.73
Other Loans and advances				
Balance with Excise and other Government Authorities	–	–	682.85	855.96
Advance income tax (Net)			5.98	0.27
Mat Credit Entitlement	17.92	18.43	–	–
	17.92	18.43	688.83	856.23
Total	36.34	24.91	2,630.38	2,153.69

*(Refer Note 32)

Note 12 : Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Materials	255.35	422.74
Stores and Spares	52.47	67.42
Finished Goods [including materials lying at port ₹ Nil (₹ 108.90 lacs)]	778.43	948.53
By Products and Scrap	15.80	3.74
Total	1,102.05	1,442.43

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

Note 13 : Trade Receivables

Particulars	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good#	–	223.97
(A)	–	223.97
Other Debts		
Unsecured, considered good	(B) 837.47	768.94
Total	(A+B) 837.47	992.91

#Includes of ₹ Nil (₹ 210.04 lacs) realised in subsequent period

Note 14 : Cash and Bank Balances

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and Cash equivalents		
Balance with Banks :-		
On Current Accounts	–	3.54
Cash on hand	4.66	10.90
Cheques in hand	36.13	87.41
	40.79	101.85
Other Bank Balances		
Deposits with original maturity for more than 12 Months*	228.80	280.24
Total	269.59	382.09

* including ₹ 228.80 lacs (₹ 280.24 lacs) pledged with banks and others as margin money against borrowings / other facilities



NOTES TO FINANCIAL STATEMENTS

Note 15 : Other Current Assets

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Duty Drawback Receivable	6.41	36.82
Interest Receivable on Deposits	16.98	27.51
Total	23.39	64.33

Note 16 : Revenue from Operations

Particulars	2013-14	2012-13
Sales of products		
Finished Goods	4,588.31	7,576.64
Scraps	114.22	223.10
Other Operating Revenue		
Conversion Charges	31.92	3.79
Export Incentives	15.50	80.14
Revenue from Operations (Gross)	4,749.95	7,883.67
Less: Excise Duty	401.00	859.54
Revenue from Operations (Net)	4,348.95	7,024.13
Sale of finished goods comprise :		
Non Alloys Steel Round, Bar & Flat	4,315.92	6,451.52
Alloys Steel Round, Bar & Flat	272.39	1,125.12
	4,588.31	7,576.64

Note 17 : Other Income

Particulars	2013-14	2012-13
Interest on :		
Fixed Deposits with Banks [Gross, Tax deducted at Source ₹ 1.89 lacs (₹ 2.75 lacs)]	17.33	27.51
Liabilities no longer required written back	1.50	9.91
Insurance Claims	8.80	–
Gain on Foreign Exchange Fluctuations (Net)	12.98	–
Discount Received	0.57	0.34
Total	41.18	37.76

NOTES TO FINANCIAL STATEMENTS**Note 18 : Cost of Materials Consumed**

(₹ in lacs)

Particulars	2013-14	2012-13
Opening Stock	422.74	459.36
Purchases	2,841.92	5,809.99
	3,264.66	6,269.35
Less: Closing Stock	255.35	422.74
Raw Materials Consumed	3,009.31	5,846.61
Consumption of Raw Material :		
Non Alloys Steel (Billet & Ingot)	2,439.88	4,962.15
Alloys Steel (Billet & Ingot)	569.43	884.46
	3,009.31	5,846.61

Note 19 : Changes in Inventories of Finished Goods

Particulars	2013-14	2012-13
Opening Stocks :		
Finished Goods	948.53	597.61
Scrap	3.74	2.65
	952.27	600.26
Less:		
Closing Stocks :		
Finished Goods	778.43	948.53
Scrap	15.80	3.74
	794.23	952.27
	158.04	(352.01)
(Increase) / Decrease in excise duty and cess on stocks	14.75	(44.46)
Total	143.29	(307.55)
Stock of finished goods comprises:		
Opening Stock :		
Non Alloys Steel Round, Bar & Flat	826.81	502.44
Alloys Steels Round, Bar & Flat	121.72	94.84
Non Alloys Steel Scrap	3.74	2.57
Alloys Steel Scrap	-	0.41
Total	952.27	600.26
Closing Stock :		
Non Alloys Steel Round, Bar & Flat	765.88	826.81
Alloys Steels Round, Bar & Flat	12.55	121.72
Non Alloys Steel Scrap	15.15	3.74
Alloys Steel Scrap	0.65	-
Total	794.23	952.27



NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

Note 20 : Employee Benefits Expense

Particulars	2013-14	2012-13
Salaries, Wages, Bonus & Other Benefits	118.86	115.86
Contribution to Provident Fund & other fund	1.43	15.59
Staff Welfare Expenses	0.27	1.36
Directors remuneration	21.60	21.69
Total	142.16	154.50

Note 21 : Finance Costs

Particulars	2013-14	2012-13
Interest Expenses		
On Cash Credit	157.01	161.39
On Income Tax	–	0.91
On Others [Net of income of ₹ 233.29 lacs (₹ 482.48 lacs)]	73.84	52.55
Finance charges	12.99	8.72
Total	243.84	223.57

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

Note 22 : Other Expenses

Particulars	2013-14	2012-13
Consumption of Stores and Spares	213.42	208.34
Labour Charges	7.20	11.54
Power and Fuel	331.34	437.53
Repairs and Maintenance:		
- Plant and Machinery	24.70	22.80
- Buildings	–	1.25
- Others	2.49	4.35
Freight and Transportation	57.28	105.60
Rent and Hire	5.03	5.03
Discount Allowed	0.54	5.68
Rates and Taxes	0.83	0.83
Insurance	6.04	5.56
Advertisement	0.83	2.81
Brokerage and Commission	13.58	120.00
Travelling and Conveyance	10.55	3.50
Printing & Stationery	0.16	3.04
Telephone and Postage	0.66	0.34
Legal and Professional Charges	19.06	8.92
Auditors' remuneration		
- Audit Fees	0.45	0.45
- Tax Audit Fees	0.15	0.15
- In Other Capacity for certificates and others	0.11	0.11
Irrecoverable Debts and Advances Written off	22.13	40.08
Loss on Foreign Exchange Fluctuations (Net)	0.00	7.65
Charity and Donations	0.31	0.23
Security and Service Charges	12.73	13.97
Miscellaneous Expenses	29.24	34.60
Prior period expenses	0.14	–
Total	758.97	1,044.36



NOTES TO FINANCIAL STATEMENTS

Note 23: CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	2013-2014 ₹/lacs	2012-2013 ₹/lacs
a) Corporate Guarantee given by way of collateral Security in favour of a group company	5,427.00	6,750.00
b) Sales Tax & Excise Duty matters under dispute/appeal	693.18	796.09
c) Bank Guarantees outstanding	1,518.58	1,519.33

Note 24 : CAPITAL COMMITMENT

Total Capital Commitment outstanding at the year ended 31st Mar, 2014 is Nil (₹ Nil) for coal mining.

Note 25 : DEFERRED TAXATION

As per Accounting Standard –22 issued by The Institute of Chartered Accountants of India, deferred tax expenses and income has been recognized and adjusted by providing deferred tax liability as under :

Particulars	(₹ in lacs)	
	As at 31st Mar, 2014 Deferred Tax Liabilities/(Assets)	As at 31st Mar, 2013 Deferred Tax Liabilities/(Assets)
Deferred Tax Liability		
Timing difference on depreciable asset	109.81	106.95
	109.81	106.95
Deferred Tax Assets		
Provision/Expenses allowable in future under Income Tax Act.	3.49	4.87
	3.49	4.87
Net Deferred Tax Liabilities /(Asset)	106.32	102.08
Less: Provided till last year	102.08	96.76
Increased in Deferred Tax Liability/(Assets)	4.24	5.33

Note 26 : DILUTED & BASIC EARNING PER SHARE OF ₹ 10/-

Particulars		31.03.2014	31.03.2013
Profit After Tax (₹)	₹ in lacs	6.09	3.39
Weighted average number of equity share	Number	10,535,000	10,535,000
Basic/Diluted Earning per Share	In Rupees	0.06	0.03

Note 27

CONFIRMATION OF DEBTORS, CREDITORS AND DUES OF SMALL SCALE UNITS

In the absence of balance confirmation from Sundry Debtors, Creditors, Loans, Advances and Deposits which are on selective basis, the balances appearing in the books of accounts have been taken as correct. There are no amounts outstanding to Small Scale Industrial undertaking as on 31.03.2014.

Note 28

(a) DEFINED BENEFIT PLAN

GRATUITY

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

NOTES TO FINANCIAL STATEMENTS

The disclosures required under Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006 are given below:

I. Expenses recognized in the statement of Profit & Loss Account for the year ended 31st Mar, 2014:

(₹ in lacs)

Particulars	2013-2014	2012-2013
Current service cost	4.73	4.32
Interest cost on benefit obligation	2.24	1.77
Expected return on plan assets	(1.33)	(1.00)
Net actuarial loss / (gain) recognized in the year	(11.68)	0.93
Total Expenses / (Income)	(6.03)	6.02
Actual Contribution	2.17	3.10

II. Net Liability / (Assets) recognized in the Balance Sheet as at 31st Mar, 2014:

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
Present value of Defined Benefits Obligation	22.92	27.73
Fair value of plan assets	17.11	13.73
Net Assets / (liability)	(5.81)	(14.00)

III. Change in the present value of the defined benefit obligation during the year ended 31st Mar 2014:

Particulars	2013-2014	2012-2013
Present Value of Defined Benefit Obligation at the beginning of the year	27.73	20.63
Current Service Cost	4.73	4.32
Interest Cost	2.24	1.77
Actuarial Loss / (Gain)	(11.64)	1.01
Benefit Payments	(0.14)	-
Present Value of Defined Benefits Obligation at the year end	22.92	27.73

IV. Change in the Fair Value of Plan Assets during the year ended 31st Mar, 2014:

Particulars	2013-2014	2012-2013
Fair Value of Plan Assets at the beginning of the year	13.72	9.54
Expected Return on Plan Asset	1.32	1.00
Contribution by Employer	2.17	3.10
Actuarial Gains/ (Losses)	0.04	0.09
Benefit Payments	(0.14)	-
Fair Value of Plan Assets at the year end	17.11	13.73

V. The major categories of plan assets as a percentage of the fair value of the total plan assets

Particulars	2013-2014	2012-2013
Investment with the insurer	100.00%	100.00%



NOTES TO FINANCIAL STATEMENTS

VI. The principal assumptions used in determining gratuity and leave obligations for the Company's plans are shown below.

Particulars	(₹ in lacs)	
	2013-2014	2012-2013
Discount Rate	9.25%	8.10%
Expected Rate of return on assets	9.00%	9.00%
Rate of increase in salaries	10.00%	10.00%
Mortality Table	Indian Assured Life Mortality (2006-08) (Modified)Ult.	LIC (1994-96) Ultimate

VII. Amounts for the current and previous year are as follows:*

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
Defined benefit obligation	(22.92)	(27.73)
Plan Assets	17.11	13.73
Surplus / (Deficit)	(5.81)	(14.00)
Experience Gain/ (Loss) Adjustments on plan liabilities	8.66	0.58
Experience Gain/ (Loss) Adjustments on plan assets	0.03	0.08
Actuarial Gain / (Loss) due to change on assumptions	2.98	(1.59)

* AS -15 (Revised) on Employee Benefits was adopted by the Company from 1st April 2007 and hence, the above disclosures have been made accordingly.

Note :

- i. The Company expects to contribute ₹ 5.81 lacs to Gratuity Fund in 2014-15.
- ii. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the Actuary.
- iii. The management has relied on the overall actuarial valuation conducted by the actuary.

(b) DEFINED CONTRIBUTION PLAN

The Company makes provident fund contribution to defined contribution plans for qualifying employees, under the schemes the company is required to contribute a specific percentage of the payroll cost to fund the benefits. The company recognized ₹ 4.54 lacs (for 2012-13 ₹ 4.76 lacs) for provident fund contribution in the statement of profit & loss. The Contribution payables to these plans by the company are at the rates specified in the rule of the scheme.

Note 29 : Value of Indigenous Material Consumed

(₹ in lacs)

Class of Goods	2013-14	2012-13
Raw Material	3,009.31	5,846.61
Stores & Spares	213.41	208.34

NOTES TO FINANCIAL STATEMENTS

Note 30: SEGMENT REPORTING (AS – 17)

The Company is predominantly engaged in production and sale of Iron & Steel and other connected products, which are subject to similar risks and returns. Moreover, there is no separate geographical segment. Hence, segment reporting is not applicable as prescribed by AS – 17.

Note 31: RESEARCH AND DEVELOPMENT EXPENDITURE

No amount has been incurred in Account of research and development expenditure.

Note 32: RELATED PARTY TRANSACTIONS (AS – 18)

- (A) List of related parties over which control of the company exist – None
 (B) Name of the related Parties with whom the transaction were carried out during the year

Name of the Related Parties	Relationship
Jai Balaji Industries Limited	Associates
Jai Salasar Balaji Industries Pvt. Ltd.	Associates
Balaji Ispat Udyog	Associates
Jai Balaji Jyoti Steels Ltd.	Associates
Jai Balaji Infotech Private Limited	Associates
Nilachal Iron & Power Ltd.	Associates
Hari Management Limited.	Associates
Sri Devendra Prasad Jajodia	KMP*
Sri Varun Jajodia	KMP*
Smt Kanchan Jajodia	KMP*
Smt Sangeeta Jajodia	KMP*
Sri Harsh Jajodia	KMP*

*KMP = Key Managerial Person



NOTES TO FINANCIAL STATEMENTS

(C) Related Parties Transactions:

(₹ in lacs)

Relation	Purchases	Sales	Interest Received	Interest Paid	Balance Payable	Balance Receivable	Corporate Guarantee Given / (Taken)	Salary / Managerial Remuneration	Rent Paid
Associates									
Jai Balaji Industries Limited	1,072.51 (3,221.98)	234.38 (123.31)	—	271.85 (440.28)	2,536.01 (3,023.57)	—	(2,530.00) (-2680.00)	—	—
Jai Salasar Balaji Industries (P) Ltd.	1,001.17 (3,095.59)	124.80 (283.36)	228.14 (463.31)	—	—	1,826.37 (1,223.00)	—	—	—
Balaji Ispat Udyog	— (15.15)	27.30	5.14 (19.17)	—	—	—	—	—	—
Jai Balaji Jyoti Steels Ltd.	—	—	—	370.18 (375.94)	3,245.92 (2,608.64)	—	—	—	—
Jai Balaji Infotech Private Limited	—	—	—	—	52.05 (52.05)	—	—	—	—
Nilachal Iron & Power Ltd.	—	—	—	—	—	(36.13)	5,427.00 (6,750.00)	—	—
Key Managerial Person									
Devendra Prasad Jajodia	—	—	—	—	—	—	—	36.00 (36.00)	—
Harsh Jajodia	—	—	—	—	—	—	—	11.40 (11.40)	—
Varun Jajodia	—	—	—	—	—	—	—	11.40 (11.40)	—
Relatives of Key Managerial Person									
Sangeeta Jajodia	—	—	—	—	—	—	—	—	0.96 (0.96)
Kanchan Jajodia	—	—	—	—	—	—	—	—	3.60 (3.60)

Note: Out of above Interest ₹ 343.64 lacs (₹ 286.89 lacs) and Remuneration charges ₹ 14.41 lacs (₹ 14.46 lacs) has been transfer to Capital Work in Progress.

NOTES TO FINANCIAL STATEMENTS

Note 33 :

Earnings in foreign currency transactions for the year

F.O.B Value of Exports ₹ 747.190 lacs (₹ 2,629.88 lacs).

Note 34 :

Details of Borrowing cost Capitalized

Borrowing cost capitalized during the year ₹ 343.64 lacs (₹ 286.89 lacs)

Note 35 :

The figures for the previous periods are re-classified/re-arranged/re-grouped, wherever necessary as per the format revised by SEBI in conformity with the amended schedule VI of the Companies Act, 1956.

In terms of our report of even date

For and on behalf of the Board of Directors

For **Rashmi & Co.**
Firm Regn. No. 309122E
Chartered Accountants

Devendra Prasad Jajodia
Managing Director
(DIN – 00045166)

Sanjiv Jajodia
Director
(DIN – 00036339)

CA Sandeep Agarwal
Partner
Membership No. 065643

Purna Sharma
Company Secretary

Place : Kolkata
Date : May 27, 2014