

Chandi Steel Industries Limited

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Thirty Eighth Annual General Meeting of the Members of Chandi Steel Industries Limited will be held on Friday 30th September, 2016 at 11:00 a.m. at the Registered Office of the Company situated at 3, Bentinck Street, Kolkata – 700 001 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016 together with the Report of the Board of Directors and the Auditors thereon.

Item No. 2

To appoint a Director in place of Shri Susanta Sarkar (holding DIN – 06449312), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 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, 142 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(s) thereof for the time being in force), M/s. Rashmi & Co., Chartered Accountants (Firm Registration No. 309122E), of 213, Todi Chamber, 2, Lal Bazar Street, Kolkata – 700 001, be and are hereby appointed as the Statutory 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 apart from reimbursement of out of pocket expenses and taxes as applicable, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors”.

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 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Swati Agarwal (DIN – 07158355), who was appointed as an Additional Director of the Company by the Board of the Directors with effect from 13th November, 2015 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting 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 her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of one term of 5 years with effect from 13th November, 2015.”

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 read with schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ashok Kumar Choudhary (DIN – 07603658), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st September, 2016 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who hold office up to the date of this Annual General Meeting 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 Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of 5 years with effect from 1st September, 2016.

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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 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sumit Kumar Rakshit (DIN – 07603642), who was appointed as an Additional Director of the Company by the Board of the Directors with effect from 1st September, 2016, based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting 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 Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of one term of 5 years with effect from 1st September, 2016.”

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 Rs. 20,000/- (excluding applicable taxes and reimbursement of out-of pocket expenses, if any) as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 11th August, 2016 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 and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified.”

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 pursuant to the applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and any other applicable laws, rules, regulations, notifications, circulars and the relevant provisions of the Memorandum and Articles of Association of the Company and subject to the limits on borrowings set out by the Shareholders, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to convert the advance received from the Disha Realcon Private Limited and Samriddhi Metals Private Limited into 2,00,000 (Two Lakh only) Zero Coupon, Unsecured, Unlisted, Non-Convertible Debentures (herein referred to as ‘Debentures’) at a face value of ₹100/- per debenture, on such terms and conditions as set out herein below:

- a. The Debentures shall be unsecured and will rank pari passu with all other unsecured borrowings of the Company.
- b. The Debentures shall not carry any interest.
- c. The Debentures shall be Non-Convertible and shall be redeemable within 3 months from the expiry of ten years from the date of allotment at par or at premium as may be decided by the Board.
- d. The Debentures can be re-issued at the option of the Board subject to the consent of Debenture Holders.
- e. The terms of issue of the Debentures can be altered or varied by the Board at any time after the issue of Debentures subject to the consent of Debenture Holders.
- f. The Debentures shall be non-marketable, thus non-transferable.
- g. The respective Debenture Certificates, Letters of Allotment in respect of the Debentures shall be completed and issued within three months from the date of allotment thereof.
- h. The Debenture by itself does not give to the Debenture holder any rights of the shareholders of the Company.

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“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard and in regard to the allotment of the Debentures and enter and execute all such deeds, documents, agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable as they may deem fit.”

Item No.9

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 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall include any Committee thereof constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contracts, arrangements, transactions including material transactions with its related parties, in any financial year on such terms and conditions as may be mutually agreed upon between the Company and its related parties, as per details given below:

Name of the Related Party	Nature of Relationship	Nature of Contract	Estimated amount per annum (Amount in Crore)
Jai Balaji Industries Limited (JBIL)	JBIL is a Public Company in which Director along with its Relatives holds more than 2% of its paid-up share capital	Purchase/ Sale of goods/materials on an arms length basis and in ordinary Course of business, Corporate Guarantee given/obtained	100
Jai Salasar Balaji Industries Pvt. Ltd. (JSBIPL)	JSBIPL is a Private Company having common Directorship/Membership.	Purchase/ Sale of goods/materials on an arms length basis and in ordinary Course of business	100
Balaji Ispat Udyog (BIU)	BIU is a Proprietorship Firm in Director’s brother is Proprietor.	Purchase/ Sale of goods/materials on an arms length basis and in ordinary Course of business	50

RESOLVED FURTHER THAT pursuant to Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 any material related party transaction already entered by the Company with its related parties as on the date of this resolution be and is hereby approved and ratified.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide upon the nature of Related Party Transactions to be entered into with its Related Parties within the aforesaid limit;

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RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

Registered Office:
3, Bentinck Street,
Kolkata – 700 001

Place: Kolkata
Date: 3rd September, 2016

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

Sd/-
Seema Chowdhury
Company Secretary

Chandi Steel Industries Limited

Notes:

1. The 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. 5 to 9 to be transacted at the Thirty-Eighth Annual General Meeting ('the meeting') is annexed hereto and forms part of the Notice.
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive).
3. **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.**

Pursuant to Section 105 of the Companies Act, 2013 and rules made thereunder 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. If a proxy is appointed for more than 50 (fifty) members, he/she shall choose any 50 (fifty) members and confirm the same to the company before the commencement of specified period for inspection. In case, proxy fails to do so, the company shall consider only first 50 (fifty) proxies as valid. The instrument appointing the proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it and in order to be effective, should be deposited at the registered office of the Company, duly completed stamped and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. A proxy form is annexed to this Report.

Further, proxies submitted on behalf of authorized representative of the companies, societies etc. must be supported by appropriate resolution/authority, as applicable. Members who hold shares in dematerialized form are requested to bring their Photo Identity Card for easy identification of attendance at the meeting.

Every member entitled to vote at the meeting shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during business hours between 11 a.m. to 6 p.m., provided that not less than 3 days notice in writing of the intention to inspect is given by the member to the Company.

4. Corporate members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company, a certified true copy of the Board Resolution together with respective specimen signature of those representative(s) authorized under said resolution to attend and vote on their behalf at the meeting.
5. Members holding shares in physical mode are requested to intimate any change in their address to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata – 700 001 and members holding shares in demat mode are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding should be obtained from Depository Participant and holding should be verified.

6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata – 700 001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.

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7. Members who hold shares in physical form are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulations of SEBI and also to prevent any loss of physical Share Certificate.
8. Pursuant to Section 88 of the Companies Act, 2013 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 – 700 001, who have not yet so updated.
 - a. E-mail id (of the first holder)
 - b. PAN
 - c. Unique Identification Number (AADHAR NO.)
 - d. Father's/Mother's/Spouse'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)
9. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
10. Electronic copy of the Annual Report for the financial year 2015-16 and the Notice of the Thirty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and route map 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 yet registered their email address shall be furnished with physical copies of the aforesaid Notice of Thirty Eighth Annual General Meeting of the Company in the permitted mode.

Members who have received the Notice of Annual General Meeting, Annual report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Annual General Meeting.

Members are also informed that the Notice of the Thirty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form as well as the Annual Report for the Financial Year 2015-16 shall also be available on the website of the Company viz. “www.jaibalajigroup.com” on the website of the CDSL for their download.

In keeping view with Ministry of Corporate Affairs “Green Initiatives” measures and applicable provisions of Companies Act, 2013 read with Rules there under, the Company requests members who have not registered their e-mail address so far, to register their e-mail address for receiving all communications including Annual Report, notices etc from the Company electronically.
11. 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.
12. Register of Directors and Key Managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and The Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
13. 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.

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14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical mode can submit their PAN details to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata – 700 001.
15. Securities and Exchange Board of India (SEBI) has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.
16. Details as required Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations/ consent have been received from the Directors for his/her appointment/re-appointment.
17. 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 amendments made thereto, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the e-voting facility to members to exercise their right to vote on the resolutions proposed to be passed at the Annual General Meeting as stated in the Notice by electronic means from a place other than venue of the meeting i.e. remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of Annual General Meeting (remote e-voting) will be provided 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 Tuesday, 27th September, 2016

End of e-voting: up to 5:00 p.m. on Thursday, 29th September, 2016

At the end of remote e-voting period, the facility shall forthwith be blocked.

Members' holding shares either in physical or dematerialized mode as on the cut-off date (i.e. the record date) viz. Friday, 23rd September, 2016 may exercise their vote electronically.

- c) In case a person becomes a member of the Company after the dispatch of the Notice but on or before the cut-off date for e-voting i.e. **Friday, 23rd September, 2016**, he/she may write to the Registrar requesting for user id and password.
- d) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- e) Facility of voting through Ballot Paper shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting shall not be allowed to vote again at the meeting. However, members may attend the meeting and participate in the discussions, if any.
- f) Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case members cast their vote through both the mode, e-voting shall prevail and vote cast at Annual General Meeting shall be invalid.

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- g) 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 **Friday, 23rd September, 2016**.
- h) A person who is not a member as on cut-off date should treat this notice for the information purpose only.
- i) The Board of Directors has appointed Ms. Premlata Soni, Practising Company Secretary, (Membership No. FCS: 4385), having its registered office at 55, Ezra Street, 2nd Floor, Room No. 4, Kolkata – 700 001, as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the remote e-voting process) and voting at the AGM in a fair and transparent manner.
- j) The scrutinizer shall after the conclusion of meeting count the votes cast at the meeting, thereafter unblock the votes casted by remote e-voting in the presence of at least 2 (Two) witnesses not in employment of the Company and within a period not exceeding 3 days from the conclusion of the meeting submit a consolidated report of voting (e-voting & ballot) of the total votes cast in favour or against, to the Chairman of the meeting, or any person authorized by the Chairman to counter-sign the same. The Chairman of the meeting or the person authorized by the Chairman shall declare the results of the voting forthwith.
- k) The results of e-voting will be communicated to the Stock Exchange where equity shares of the Company is 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 immediately after declaration of results by the Chairman or any person authorized by him in writing.

Registered Office:
3, Bentinck Street,
Kolkata – 700 001

Place : Kolkata
Date : 3rd September, 2016

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

Sd/-
Seema Chowdhury
Company Secretary

Chandi Steel Industries Limited

Annexure to the Notice

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

Item No. 4

Ms. Swati Agarwal, is a commerce graduate from Shri Shikshayatan College, Kolkata and an Associate member of the Institute of Company Secretaries of India (ICSI). She possesses rich experience in handling Company law, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and legal matters.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Swati Agarwal (DIN – 07158355), as an Additional Director (Category – Non-Executive Independent Director) of the Company with effect from 13th November, 2015, in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended her appointment based on the recommendation of the Nomination and Remuneration Committee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of her appointment, in terms of 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 (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015. Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Ms. Swati Agarwal for the office of an Independent Director of the Company.

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

In the opinion of the Board, Ms. Swati Agarwal fulfils the conditions specified under the Companies Act, 2013 and rules made there under and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the Company The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Swati Agarwal as an Independent Director.

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

Ms. Swati Agarwal and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her 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 Ashok Kumar Choudhary graduated with a Bachelor of Commerce (Hons.) degree holds expertise in the field of Accounts and Taxation and possesses a rich experience of over 20 years in various capacity.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Shri Ashok Kumar Choudhary (DIN – 07603658) as an Additional Director (Category – Non-Executive Independent Director) of the Company with effect from 1st September, 2016, in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended his appointment based on the recommendation of the Nomination and Remuneration Committee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of his appointment, in terms of 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 (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015. Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Shri Ashok Kumar Choudhary for the office of an Independent Director of the Company.

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

In the opinion of the Board, Shri Ashok Kumar Choudhary fulfils the conditions specified under the Companies Act, 2013 and rules made there under and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Ashok Kumar Choudhary as an Independent Director.

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

Shri Ashok Kumar Choudhary and his relatives 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 Sumit Kumar Rakshit is a commerce graduate from Calcutta University and MBA (Finance) from ICAI University. He has also completed “Industrial Accountant Plus” course from IA (Barrackpore). He possesses rich experience in the field of Accounts, Taxation and Finance sector.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, appointed Shri Sumit Kumar Rakshit (DIN – 07603642), as an Additional Director (Category – Non-Executive Independent Director) of the Company with effect from 1st September, 2016 in terms of Sections 149 and 161(1) of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and further recommended his appointment based on the recommendation of the Nomination and Remuneration Committee as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 years from the date of his appointment, in terms of 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 (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Also, a notice in writing under Section 160 of the Companies Act, 2013, has been received from a member proposing the candidature of Shri Sumit Kumar Rakshit for the office of an Independent Director of the Company.

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

In the opinion of the Board, Shri Sumit Kumar Rakshit fulfils the conditions specified under the Companies Act, 2013 and rules made there under and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Sumit Kumar Rakshit as an Independent Director.

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

Shri Sumit Kumar Rakshit and his relatives 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 11th August, 2016, has approved the re-appointment 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

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Audit Report and all such reports, annexures, records, documents etc., for the financial year 2016-17, that may be required to be prepared and submitted by the Cost Auditors under applicable statute at a consolidated remuneration of Rs. 20,000/- (excluding applicable taxes and reimbursement of out-of-pocket expenses, if any).

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 be 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 2016 -17.

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

The Company had received a purchase order for supply of Alloys Steels Round along with an advance payment. The Company on unable to execute the order due to some unavoidable circumstances approached the Client and given a proposal to issue Zero Coupon, Unsecured, Unlisted, Non-Convertible Debentures (herein referred to as 'Debentures') at a face value of ₹ 100/- per debenture., The Client accepted the proposal of the Company for issuance of debentures in lieu of advance made. The Board of Directors are hereby seeking to convert the advance into 2,00,000 (Two Lakhs) Zero Coupon, Unsecured, Unlisted, Non-Convertible Debentures at a face value of ₹ 100/- per debenture.

The approval of the Members is sought for making the allotment of aforesaid Debentures. The said borrowing is within the limit as approved by the Members under Section 180(1) (c) of the Companies Act, 2013.

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

Pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and amendments made thereto, from time to time, the Board can enter into specified Related Party Transactions in excess of the limits prescribed under the said rules, only with the Consent of the Members. Further, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, the Company can enter into material related party transactions i.e. the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, only with the consent of the Members by means of an Ordinary Resolution.

Further, pursuant to Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all existing material related party contracts or arrangements as on that date which are likely to continue beyond 30th November, 2015, shall be placed for approval of the Members in the first General Meeting subsequent to 1st December, 2015. The Company has entered into certain material related party transactions with its related parties which are continuing beyond 30th November, 2015 and for which approval of the Members is sought by way of an Ordinary Resolution.

The Company proposes to enter into transactions with its related parties, from time to time, subject to the approval of the Audit Committee and the Board, wherever required, on such terms and conditions as may be mutually agreed upon between the Company and its related parties within an annual limit and such transactions may qualify as material transactions. Details of the Related Parties are tabled herein below:

Chandi Steel Industries Limited

Name of the Related Party	Name of the Director or Key Managerial Personnel who is related	Nature of Relationship
Jai Balaji Industries Limited (JBIL)	Shri Sanjiv Jajodia Shri Rajiv Jajodia Shri Gourav Jajodia	Shri Sanjiv Jajodia and Shri Rajiv Jajodia are Brothers and Shri Gourav Jajodia is Son of Shri Devendra Prasad Jajodia, Managing Director of Chandi Steel Industries Limited and they along with their relatives more than 2 % of the paid-up share capital of JBIL.
Jai Salasar Balaji Industries Pvt. Ltd. (JSBIPL)	Shri Devendra Prasad Jajodia	Shri Devendra Prasad Jajodia is a Director and Member.
Balaji Ispat Udyog (BIU)	Shri Sanjiv Jajodia	Shri Sanjiv Jajodia, Brother of Shri Devendra Prasad Jajodia, Managing Director of Chandi Steel Industries Limited is a proprietor of the firm.

- 1) Nature, Material Terms, monetary value, and particulars of the contract or arrangement:

Nature of Contract/arrangement/transaction and estimated per annum monetary value of the same is stated in the resolution.

- 2) Any other information relevant or important for the members to take decision:

The Company enters /proposes to enter into related party transactions with the Bodies Corporate as per the table above, on an arms length basis and in ordinary course of business with the intention to further the Company's interest. Section 188 of the Companies Act, 2013 is not applicable to transactions entered into by the Company in its ordinary course of business and on an arms length basis. However as a matter of abundant precaution, the Board considers it suitable to take the consent of the members for the aforesaid related party transactions within the estimated limits.

The Board of Directors, therefore, recommend the Resolution under item no. 9 to be passed as a **Ordinary Resolution** by the Members.

Except the aforesaid Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other Directors, Key Managerial Personnel or 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 : 3rd September, 2016

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

Sd/-
Seema Chowdhury
Company Secretary

Chandi Steel Industries Limited

Annexure to the notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Name of Director	Shri Susanta Sarkar
DIN	06449312
Date of Birth	15 th October, 1970
Date of Appointment	19 th November, 2012
Qualification	Higher Secondary, Draughtmanship (Mach. & Civil)
Expertise in Specific functional area	Central and Excise
Membership of the Committees of the Board of Directors of the Company	NIL
Directorship held in any other listed Companies	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	Nil
No. of Equity Shares held in the Company	NIL
Inter-se Relationships between Director	None

Chandi Steel Industries Limited

Brief profile of Directors Seeking Appointment at the ensuing Annual General Meeting

Name of Director	Ms. Swati Agarwal	Shri Ashok Kumar Choudhary	Shri Sumit Kumar Rakshit
DIN	07158355	07603658	07603642
Date of Birth	9 th December, 1985	7 th February, 1961	16 th September, 1981
Date of Appointment	13 th November, 2015	1 st September, 2016	1 st September, 2016
Qualification	B. Com (Hons.) and an Associate Member of the Institute of Company Secretaries of India (ICSI).	B. Com (Hons)	B. Com (Hons), MBA (Finance) from ICAI University and “Industrial Accountant Plus” course from IA (Barrackpore)
Expertise in Specific functional areas	Rich experience in handling Company Law, SEBI, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and legal matters.	Rich experience of over 20 years in the field of Accounts and Taxation.	Rich experience in the field of Accounts, Taxation and Finance sector.
Membership of the Committees of the Board of Directors of the Company	Audit Committee-Chairman Nomination and Remuneration Committee- Chairman Stakeholders Relationship Committee-Chairman	NIL	NIL
Directorship held in other Listed company	Jai Balaji Industries Limited	NIL	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he/she is a Director	Audit Committee-Jai Balaji Industries Limited- Member	NIL	NIL
No. of Equity Shares held in the Company	NIL	NIL	NIL
Inter-se Relationships between Director	None	None	None

Chandi Steel Industries Limited

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 Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

For Members holding shares in Physical Form: Members should enter Folio Number registered with the Company.

- v) Next enter the Image Verification as displayed and Click on Login.

- vi) 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.

- vii) 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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- viii) After entering these details appropriately, click on “SUBMIT” tab.

- ix) Members holding shares in Physical form will then reach directly to the Company selection screen.

- x) 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.

Shareholders holding shares in demat form and have logged in for an earlier instance of eVoting and voted on www.evotingindia.com should use their existing login and password. Such shareholders who have already logged in earlier would be required to enter only the password after entering the user ID and characters displayed

Chandi Steel Industries Limited

- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for <Chandi Steel Industries Limited> to vote.
- xiii) 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.
- xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii) 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.
- xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) Note for Non-Individual Shareholders and Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com>. and register themselves as Corporates.
 - 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 compliance 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.

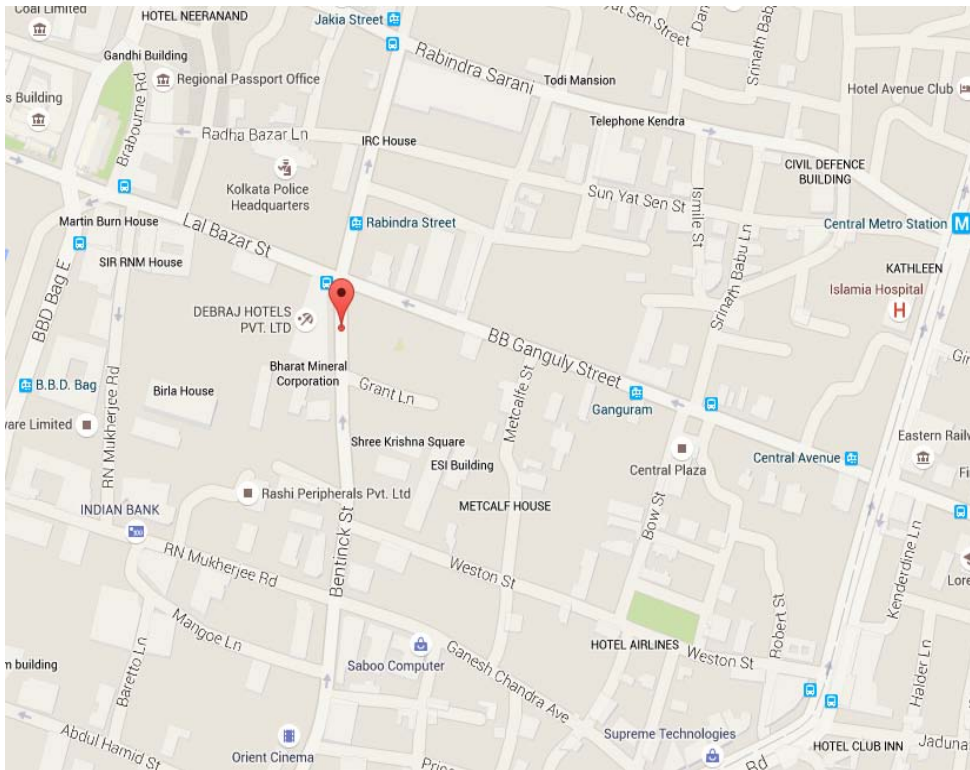
B. In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility:

Please follow all steps from Sr. No. (ii) to Sl. No. (xx) 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.com under help section or write an email to helpdesk.evoting@cdslindia.com. Or can contact at CDSL helpdesk: 18002005533.

Chandi Steel Industries Limited

Route Map to the AGM Venue



3, Bentinck Street,
Kolkata – 700 001

Chandi Steel Industries Limited

DIRECTORS' REPORT

Dear Members

Your Directors take pleasure in presenting the Thirty Eighth Annual Report along with the summary of the Audited Financial Statement of your Company for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

(` in Lacs)

Particulars	Financial Year ended 31 st March, 2016	Financial Year ended 31 st March, 2015
Revenue from Operations (Net) and Other Income	8,460.30	6,083.26
Less: Expenses (other than Finance costs & Depreciation)	7,549.47	5,418.78
Finance costs	799.97	562.72
Depreciation	81.12	73.43
Total Expenses	8,430.56	6,054.93
Profit/(Loss) before exceptional and extraordinary items and tax	29.74	28.33
Less: Exceptional items	-	-
Profit/(Loss) before extraordinary items and tax	29.74	28.33
Less: Extraordinary items	-	-
Profit before Tax (PBT)	29.74	28.33
Less: Current Tax Expenses (Net)	12.27	9.67
Deferred Tax	(1.69)	8.55
Total Tax Expense	10.58	18.22
Profit after Tax (PAT)	19.16	10.11
Earnings per share (excluding extraordinary items) (of Rs. 10/- each)		
Basic and Diluted	0.18	0.10

FINANCIAL PERFORMANCE AND STATE OF COMPANY AFFAIRS

The net revenue from operations and other income stands at ` 8,460.30 lacs in 2015-16 in comparison to ` 6,083.36 lacs in 2014-15 respectively and showed a growth of 39.07%. The Profit before Tax (PBT) for the year increased to ` 29.74 lacs as compared to ` 28.33 lacs in the previous year. The net profit of your Company for the year 2015-16 has been positively impacted on account of saleable steel production i.e. ` 19.16 lacs as compared to ` 10.11 lacs in the previous year.

Your Company is focused to balance cost, quality and aspiration for consumer affordability at every price point. The Company has preserved an amount of ` 19.16 Lacs in the Statement of Profit and Loss and thus no sum have been sent to the General Reserves.

In aspect of the uncertain market situations, ability of the Company to act viably and profitably and in lieu of requirement of funds for total fixed expenses and operations of the Company, your Directors do not recommend a dividend for the financial year 2015-16.

Chandi Steel Industries Limited

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year there was no change in the nature of business of the Company.

SUBSIDIARIES, ASSOCIATES OR JOINT VENTURE COMPANIES

As on the date of reporting, your Company does not have any subsidiaries, associates or joint venture companies.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment

During the period under review, the Board of Directors of your Company based on the recommendation of the Nomination & Remuneration Committee appointed Smt. Swati Agarwal (DIN : 07158355) as an Additional Director (Category : Non-Executive Independent Director) not liable to retire by rotation w.e.f. 13th November, 2015 pursuant to the provisions of 149 and 161(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Pursuant to recommendation of Nomination and Remuneration Committee, Section 149 and 161(1) of the Companies Act, 2013 and rules made there under and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board have also appointed Shri Ashok Kumar Choudhary (DIN: 07603658) and Shri Sumit Kumar Rakshit (DIN: 07603642) as Additional Directors (Category: Non-Executive Independent Director) w.e.f 1st September, 2016.

The Company has received notice in writing from Members in terms of Section 160 of the Companies Act, 2013 with respect to the above appointments. The Board of Directors hereby recommend the appointment of Ms. Swati Agarwal (DIN: 07158355), as an independent director not liable to retire by rotation for a term of five years w.e.f 13th November, 2015. Further, the Board also recommend the appointment of Shri Ashok Kumar Choudhary (DIN : 07603658) and Shri Sumit Kumar Rakshit (DIN 07603642), as independent directors for a term of five years w.e.f 1st September, 2016, not liable to retire by rotation, in the ensuing Annual General Meeting based on the recommendation of the Nomination & Remuneration Committee of the Company.

Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Shri Susanta Sarkar (DIN – 06449312) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The proposal regarding the re-appointment of the aforesaid director sought members approval. The Board of Directors recommend his re-appointment.

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.

Resignations

Based on the recommendation of the Nomination & Remuneration Committee and the Board and on ratification by the Members at the last Annual General Meeting of the Company held on 29th September, 2015, Ms. Ekta Agarwal (DIN : 07158376), in respect of whom the Company had received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013 was appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made therein read with Schedule IV to the Companies Act, 2013. Further, Ms. Ekta Agarwal tendered resignation from the post of directorship of the Company w.e.f. 12th November, 2015.

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Pursuant to Section 168 of the Companies Act, 2013 Shri Sanjiv Jajodia (DIN : 00036339), Shri Gourav Jajodia (DIN : 00028560) , Non-Executive Directors of the Company, Shri Anshuman Dalmia (DIN : 00061573), Shri Mahesh Kumar Keyal (DIN : 00079253), Independent Directors of the Company resigned from the post of directorship of the Company from the closing hours of 31st March, 2016. Further, Shri Vishal Bagri (DIN: 00078949) Independent Director of the Company resigned from the post of directorship of the Company w.e.f 15th April, 2016.

Your Directors would like to record the appreciation of the above directors for the services rendered by them during their respective tenures into the Company.

Key Managerial Personnel (KMP)

As on date of reporting, Shri Vijay Singh resigned from the Post of Chief Financial Officer w.e.f 24th May, 2016 and Shri Tushar Kanti Sarkar was appointed as the Chief Financial Officer thereby designated as the Key Managerial Personnel of the Company w.e.f 24th May, 2016.

The details of the remuneration paid to the Key Managerial Personnel appointed by your Company in accordance with the provisions of Section 203 of the Companies Act, 2013 forms a part of the Annual Report.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Your Company has received necessary declarations from all the Independent Directors of the Company that they meet the criteria of independence as laid down under the Companies Act, 2013 read with Schedules and rules made thereunder, and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 erstwhile Clause 49 of the Listing Agreement and the same has been placed before the Board and taken on record.

Formal Appointment letter of independent directors of the Company stating the terms and conditions of their appointment in line with the requirement of the Companies Act, 2013 and applicable clauses of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been issued to the independent directors of the Company and is also hosted on the website of the Company under the weblink "<http://www.jaibalajigroup.com/chandi-steel/letter-appointment-swati-agarwal.pdf>", "<http://www.jaibalajigroup.com/chandi-steel/letter-appointment-ashok-kumar-choudhary.pdf>" and "<http://www.jaibalajigroup.com/chandi-steel/letter-appointment-sumit-kumar-rakshit.pdf>".

PERFORMANCE EVALUATION

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has enhanced the role of directors and thus it requires the Board to be more engaged, more knowledgeable and more effective.

With a view to improving and effectiveness, the board of directors of your Company are increasingly deploying board performance evaluation tools to identify areas of improvement benchmarking themselves against leading practices. Appraisal of the Board's Performance includes fixing up individual and collective roles and responsibilities of its directors.

During the year under review, the Board Evaluation process was undertaken on 11th February, 2016 wherein the Board carried out an annual performance evaluation of its own performance. The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. A separate meeting of Independent directors was conducted for reviewing the performance of executive and non-executive directors as a whole. The Nomination and Remuneration Committee of the Company reviewed the Board Evaluation process.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of the Committees included aspects like composition of the Committees, effectiveness of Committee meetings etc. In

Chandi Steel Industries Limited

addition, the Chairperson was also evaluated on the key aspects of his role. As per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the formal annual evaluation process and details thereof is stated in the Corporate Governance report which forms a part of the Annual Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization program was imparted to the Independent Directors by the Company to state their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the independent directors through various programmes about the Company. During the year under review, a familiarization programme was conducted with the presence of all Independent Directors of the Company. The details of the familiarisation programmes are available at the website of the Company at: "<http://www.jaibalajigroup.com/chandi-steel/familiarisation-programme-details.pdf>".

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

In accordance with the provisions of Section 178 and 134(3)(e) of the Companies Act, 2013 read with relevant rules thereunder and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your company has formulated a 'Nomination and Remuneration' Policy which includes the criteria for determining qualifications, positive attributes and independence of a director, sets out the terms and conditions for appointment and remuneration of the Directors, Key Managerial Personnel and other employees. The said Policy has been hosted on the Company's website under the weblink "<http://www.jaibalajigroup.com/chandi-steel/nomination-remuneration-policy.pdf>". The same is attached as "**Annexure – B**" and forms integral part of this Report.

The Board has also devised a policy on diversity of Board of Directors in compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which emphasizes on having a diverse Board to enhance the quality of the performance of the Board of Directors of the Company. The Nomination and Remuneration Committee reviews the functioning and implementation of these policies.

MEETINGS OF THE BOARD HELD DURING THE YEAR

It is to be noted that your Company followed the prescribed rules and provisions of the Companies Act, 2013, Secretarial Standard – 1 (SS-1) as issued by the Institute of Company Secretaries of India effective from 1st July, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from 1st December, 2015.

During the financial year 2015-16, 9 (Nine) Board Meetings were convened and the intervening gap between two consecutive meetings did not exceed 120 days. The dates of the meetings of the Board of Directors of the Company convened were 30th April, 2015; 26th May, 2015; 13th August, 2015; 31st August, 2015; 26th September, 2015; 6th November, 2015; 13th November, 2015, 11th February, 2016 and 31st March, 2016.

The detail and the number of board meetings attended by each Director during the financial year 2015-16 has been provided in the Corporate Governance Report forming part of this report.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your company has three board level committees comprising of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Details of changes, workings,

Chandi Steel Industries Limited

scope, constitution and terms of reference forms a part of Corporate Governance report annexed to the report. Further, composition of the various committees of the Board is also hosted on the website of the Company under the weblink “<http://www.jaibalajigroup.com/chandi-steel/composition-of-various-committees-of-board-of-directors.pdf>”.

AUDIT COMMITTEE

As on 31st March, 2016, the Audit Committee comprises of Shri Anshuman Dalmia (Non-Executive Independent Director), the Chairman of the Committee, Shri Mahesh Kumar Keyal (Non-Executive Independent Director), and Shri Vishal Bagri (Non-Executive Independent Director). The Board has accepted all recommendations made by the Audit Committee during the year.

Shri Anshuman Dalmia and Shri Mahesh Kumar Keyal has resigned from the Board of Directors from the closing hours of 31st March, 2016. Thereafter, Smt. Swati Agarwal was designated as the Chairman of the Audit Committee w.e.f 1st April, 2016. Shri Ashok Kumar Choudhary (Non-Executive Independent Director) and Shri Sumit Kumar Rakshit (Non-Executive Independent Director) were appointed in the Board w.e.f and were designated as members of the Audit Committee w.e.f 1st September, 2016.

Other details about the Audit Committee and other Committees of the Board are provided in the Report on Corporate Governance forming part of this Annual Report.

WHISTLE BLOWER AND VIGIL MECHANISM

The Company has also adopted and formulated a formal mechanism for all directors, employees and vendors of the Company termed vigil mechanism for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. It requires every Director or employees to swiftly report to the management any actual or possible violation of the code or any event wherein he or she becomes aware of that which could affect the business or reputation of the Company. The Policy safeguards the whistle blower to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The said policy has been made available on the website of the Company viz. “www.jaibalajigroup.com” under the weblink “<http://www.jaibalajigroup.com/chandi-steel/whistle-blower-policy.pdf>”

Your Company annually reviews any instances of fraud and mismanagement inside the affairs of the Company. During the year 2015-16, there has been no such instances. Further, there has been no change to the whistle blower policy during the financial year 2016-17.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) and 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm:

- i. In the preparation of annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. We have selected such accounting policies and applied them consistently and made judgments and made estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit of the Company for the year ended on that date;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the financial year ended 31st March, 2016, have been prepared on a going concern basis;

Chandi Steel Industries Limited

- v. Internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and were operating effectively;
- vi. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a policy on dealing with Related Party Transactions. The Policy is also available on the Company's Website "www.jaibalajigroup.com" under the weblink "<http://www.jaibalajigroup.com/chandi-steel/related-party-policy.pdf>." The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. All the contacts/arrangements/transactions entered into with Related Parties during the financial year 2015 -16 as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on arms length basis.

It is to be stated that the Company has entered into certain related party transactions as defined under Section 188(1) of the companies Act, 2013 and material related party transactions exceeding ten percent of the annual turnover as per the last audited financial statements. Approval for these related party transactions as stated above and defined under Listing Agreement with the Stock Exchange have been sought vide special resolution passed at the last Annual General Meeting of the Company held on 29th September, 2015. Further pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members sought to be taken in the ensuing Annual General Meeting for material related party transactions.

All related party transactions are placed quarterly before the Audit Committee for consideration and approval. Further, prior Omnibus Approval has been obtained from the Audit Committee of the Company at the committee meeting held on 13th August, 2015 in respect of related party transactions whose value does not exceed one crore per transaction.

All Related Party Transactions in accordance with Accounting Standard 18 are disclosed are annexed into the notes to financial statements forming part of the Annual Report. Particulars of contracts or arrangements with related parties along with the justification for entering into such contract or arrangement is annexed as "**Annexure A**" in form AOC – 2 and forms a part of Board's Report.

RISK MANGEMENT

The resources sector is currently in the midst of correction, with an extended period of lower and volatile commodity prices impacting earnings balance sheets and investor perceptions. Your Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. The Company is exposed to inherent uncertainties owing to the sectors in which it operates. The process of risk management in the Company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The Company has identified and categorised risks in the areas of operations, finance, marketing, regulatory compliances, tax regime, and compliances sector. To have better corporate governance, your company has also considered various important risk factors affecting the organisation such as health and safety of all employees and workers, environmental laws, regulations and standards.

The Company focuses on ensuring that risks are mitigated on a regular basis and have also in place a Risk Management Policy which is periodically reviewed by the Board. The Policy envisages to minimise adverse impact on the business objective and enhance the Company's competitive advantage. Your Company targets management at all levels while identifying, assessing, reviewing and mitigating risks. The said policy is also available on the website of the Company "www.jaibalajigroup.com" under the weblink "<http://www.jaibalajigroup.com/chandi-steel/risk-management-policy.pdf>".

Chandi Steel Industries Limited

INTERNAL FINANCIAL CONTROL

A vigorous system of internal control, which is compatible with the range and nature of its business, forms an integral part of the Company's Corporate Governance policies. The Board has devised systems and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

We, at Chandi Steel has an internal audit function that inculcates best standards and practices. The scope of work, authority and resources of Internal Audit are regularly reviewed by the Audit Committee and its work is supported by the services of accountancy firms. The Internal Audit conducted also provides assurance to the Board on the effectiveness of relevant internal controls.

The Audit Committee of the Company has Independent Directors forming a majority to maintain its objectivity and the committee regularly reviews the adequacy of the internal control system to ensure that it remains effective and aligned with the business requirements. The Committee also calls for comments of the internal and statutory auditors about the Company's internal audit and scope of audit. During the year under review, such controls were tested and no material weaknesses in the operations were discovered.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Rashmi & Co., Chartered Accountants, who were appointed as the Statutory Auditors of your Company in the last Annual General Meeting (AGM) held on 29th September, 2015 and hold office up to the forthcoming Annual General Meeting, offer themselves for re- appointment. Your Company has received a consent from M/s. Rashmi & Co., Chartered Accountants that their re-appointment, if made, will be within the criteria provided under Section 139 and 141 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 Auditors of your Company at the ensuing Annual General Meeting for conducting the audit of financial statements of the Company for the financial year 2016-17 on such remuneration as may be fixed subsequently by the Board of Directors.. Accordingly, requisite resolution for the approval of members forms part of the notice convening the Annual General Meeting.

The Auditors' Report to the shareholders for the financial year 2016-17 does not contain any qualification, reservation, adverse remark or disclaimer. Comments/Qualification of the Auditors in their report and the notes forming part of the Accounts are self-explanatory and further do not call for any clarification or comments. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under 134(3)(ca) of the Act.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to get its cost accounting records audited by the Cost Auditor.

Based on the recommendation of the Audit Committee , the Board of Directors of the Company has appointed M/s. Mondal & Associates, Proprietor Mr. Amiya Mondal, Cost Accountants, for audit of cost records of the Company for the financial year 2016-17 at a consolidated remuneration of Rs.20,000/- (excluding applicable taxes) and reimbursement of out of pocket expenses which shall be subject to ratification by the Members at the forthcoming Annual General Meeting of your Company. Your Company has filed the cost audit report for the Financial Year 2014-15 with the Registrar of Companies, Ministry of Corporate Affairs in the prescribed form.

Chandi Steel Industries Limited

Internal Auditor

In line with the requirements of Section 138 of the Companies Act, 2013 and rules made thereunder M/s. D. Sikaria & Co., Chartered Accountants were appointed as the Internal Auditor at the meeting of the Board of Directors held on 30th May, 2016 for the Financial Year 2016-17 to conduct internal audit of the functions and activities of the Company. The Audit Committee of the Company periodically reviews the Internal Audit Report and checks for any findings and follow up thereon.

Secretarial Auditor

Ms. Priti Todi, Practising Company Secretary, Partner of P.S. & Associates, was appointed to conduct the secretarial audit of the Company as required under Section 204 of the Companies Act, 2013, and rules made thereunder. The Secretarial Audit Report in Form MR-3 as prescribed, issued by Ms. Priti Todi is annexed as “**Annexure C**” and forms a part of this report.

The secretarial audit report to the shareholders for the year under review does not contain any qualifications, reservations and adverse remark or disclaimer. The observations made in the secretarial auditor’s report are self explanatory and therefore do not call for further elucidation.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules 2014, an extract of the Annual Return in Form MGT-9 is annexed as “**Annexure D**” and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, your Company has not made any investments pursuant to Section 186 of the Companies Act, 2013. Particulars of Loans and Guarantees made during the year in accordance with Section 186 of the Companies Act, 2013 are contained in the notes to the financial statement.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as provisions of Section 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) 2014 and is not applicable for the Company during the financial year under review.

DEPOSITS

During the year under review, your Company has not accepted/received any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2016. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review impacting the going concern status and the future operations of the Company.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

In order to maximise shareholder value on a sustained basis, your Company has been constantly assessing and benchmarking itself with well-established Corporate Governance Practices besides complying with the statutory

Chandi Steel Industries Limited

compliances. Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Corporate Governance Report along with the compliance certificate on corporate governance issued by M/s. Rashmi & Co., Chartered Accountants, Statutory Auditors of the Company forms part of the Annual Report.

The Management Discussion and Analysis Report as stipulated under Regulation 34(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of the Annual Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company endeavours to provide equal opportunity and key positions to women professionals. As per the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder your company has formulated an Internal Complaints Committee having designated members to redress complaints against Sexual Harassment. During the year under review, there were no complaints reported against pertaining to Sexual Harassment.

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

The relevant information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, is annexed herewith as “**Annexure E**” forming part of Annual Report.

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

The information required to be disclosed in the Directors’ Report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as “**Annexure F**” forming part of this report.

However, your Company does not have any employee whose details are required to be disclosed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, various State Governments, the Banks/Financial Institutions and other stakeholders such as shareholders, customers and suppliers, among others.

The Directors also wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. The Directors also commend the continuing commitment and dedication of all employees at all levels, which has been integral part for the Company’s success. The Directors look forward to their continued support in future.

For and on behalf of the Board

Place: Kolkata
Date: 3rd September, 2016

Sd/-
Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

Chandi Steel Industries Limited**“Annexure –A”****Form AOC – 2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

Details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2016 are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any (₹ in Lacs)
(a)	(b)	(c)	(d)	(e)	(f)
Jai Balaji Industries Limited (JBIL) (Shri Sanjiv Jajodia & Shri Gourav Jajodia are Common Promoter Directors & Shri Sanjiv Jajodia holds, along with his relatives, more than 2% of the paid-up share capital of CSIL)	Purchase/sale of goods/products in ordinary course of business	Ongoing	Based on transfer pricing guidelines	15.04.2004	Nil
Jai Salasar Balaji Industries Private Limited (JSBIPL) (Shri Devendra Prasad Jajodia is a Common Promoter Director & Member, Shri Sanjiv Jajodia and Shri Rajiv Jajodia, brother of Shri Devendra Prasad Jajodia are Members)	Purchase/sale of goods/products in ordinary course of business	Ongoing	Based on transfer pricing guidelines	15.04.2004	Nil

Chandi Steel Industries Limited

“Annexure-B”

NOMINATION AND REMUNERATION POLICY

PREFACE

Human Resource occupies an important place in the organisation's growth. Chandi Steel Industries Limited (“the Company”) has been built on the active assistance, commitment, dedication, hard work and loyalty of its employees. The Board is committed to transparent, fair and sound policies for determining appropriate remuneration at all levels of the Company.

As we are growing, personal and professional development of the directors and employees becomes important to motivate them as also to ensure efficient functioning of the organisation.

VISION

Effective people management for creating competitive advantage for all stakeholders and creating a transparent system for determining the appropriate level of remuneration to Directors, Key Managerial Personnel (KMP) and other senior management employees.

OBJECTIVE

- To attract, nurture and retain the best talent by inculcating a culture of learning, performing, developing creativity and teamwork;
- To ensure reasonable remuneration to the Directors, KMP and other employees so as to motivate them of the quality required to run the Company successfully;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

MONITORING OF THE POLICY

The implementation of the Nomination and Remuneration Policy shall be monitored by the Nomination and Remuneration committee of the Board constituted as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PURPOSE OF THE COMMITTEE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;

Chandi Steel Industries Limited

- Devising a policy on diversity of board of directors;
- Identifying 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 of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Nomination

The Nomination and Remuneration Committee shall identify potential candidates with appropriate qualification, knowledge, expertise and experience.

When considering candidates, the Committee strives to achieve a balance of knowledge, experience and accomplishment such that the Company reflects a diversity of talent, age, skill, expertise and perspective. While evaluating a Director, KMP or other senior management employees for recommending to the Board, the Committee shall take into consideration various criteria that are in the best interests of the Company and its stakeholders, some of which are given hereunder:

- Educational qualifications and experience of the candidate so as to be in terms with the applicable laws, rules, regulations as laid down in the Companies Act, 2013, listing agreement and other applicable acts;
- Willingness of a person to act as such;
- The candidate should reflect the highest standards of integrity, ethics and character, and value such qualities in other;
- The candidate should have the ability to devote sufficient time to the business and affairs of the Company;
- Demonstrate the capacity and desire to represent, fairly and equally, the best interests of the Company's stockholders as a whole;
- Access the present as well as future needs of the Company. Further, while nominating Directors, it must be ensured that the Board is structured in a way that:
 - it has proper understanding of and expertise to deal with the present as well as emerging business issues

Chandi Steel Industries Limited

- exercises independent judgement
- encourage enhanced performance of the business as a whole.

Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent directors and employees who continue to satisfy the Committee's criteria, whom the Committee believes to continue to make important contributions towards the growth, reputation and well being of the Company as a whole and who consents to continue their service with the Company.

Further, in addition to the above criteria, the appointment of Independent Directors of the Company shall also be guided by the following Terms and Conditions in compliance with schedule IV to the Companies Act, 2013 which is enclosed as Annexure 'A' to this Policy.

- The appointment of Independent Directors shall be independent of the company management. While selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively;
- The appointment of Independent Directors shall be approved at the meeting of the Shareholders;
- The appointment of Independent Directors shall be formalised through a letter of appointment stating the requisite details as per the requirements of schedule IV of the Companies Act, 2013;
- The Independent Directors shall be appointed for a fixed term of upto five years or such lesser term as may be decided mutually between the Board and the Directors and shall be eligible for re-appointment for a further term of upto five years on passing a special resolution by the Company. Further, no Independent Director shall hold office for more than two consecutive terms. However, they shall be eligible for re-appointment after the expiration of cooling period of three years of ceasing to become an Independent Director;
- The Independent Directors shall be responsible for complying with the duties as specified under section 166 of the Companies Act, 2013. Further, their liabilities shall also be limited to the respective provisions of the Companies, 2013 and rules made there under;
- Independent Directors shall be expected to ensure compliance with the Code of Conduct as laid down by the Company;

Chandi Steel Industries Limited

Remuneration

The committee shall:

- ensure that the compensation to the Board, KMP and other senior management employees is reasonable and sufficient to attract, retain and motivate quality directors and KMPs;
- approve any significant changes in the executive director's contract;
- determine payment of sitting fees, if any payable for directors for attending meetings of the Board;
- ensure that there is balance between fixed pay and incentive based pay (if any) in the remuneration to be paid the Directors, KMPs and other senior management employees.

Directors Remuneration

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary shall be paid within the range approved by the Shareholders. Commission, if any, shall be calculated with reference to net profits of the Company in a particular financial year and shall be determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Sections 197 read with Schedule V of the Companies Act, 2013.

Senior Management Remuneration

The salary of other senior management employees shall be competitive and based on the individual's qualification, experience, responsibilities and performance and shall be governed by the HR policy of the Company.

PS & ASSOCIATES

practising company secretaries

225D, A.J.C Bose Road, Kolkata - 700020, India
Tel: +91 33 2280-9045 Fax: +91 33 2287-6329
Email: ps@gravityinfotech.com

SECRETARIAL AUDIT REPORT for the financial year ended 31st March 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Chandi Steel Industries Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chandi Steel Industries Limited.** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is engaged in the business of manufacturing Alloy & Non-Alloy Steel Round, Bar & Flat, Alloy & Non-Alloy Steel Scrap. No Act specifically for the aforesaid businesses is/are applicable to the Company.
4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement(s) entered into by the Company with the Calcutta Stock Exchange Limited, as applicable upto 30th November 2015. Thereafter, with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f 1st December, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.



6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. We further report that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For PS & Associates



(Priti Todi)

Partner

C.P.No.: 7270, ACS: 14611

Place : Kolkata

Date : 20th July, 2016



EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management

I. REGISTRATION AND OTHER DETAILS:	
i) CIN:-	L13100WB1978PLC031670
ii) Registration Date	09.09.1978
iii) Name of the Company	Chandi Steel Industries Limited
iv) Category / Sub-Category of the Company	Public Limited Company Limited by Shares
v) Address of the Registered office and contact details	3, Bentinck Street, Kolkata - 700 001 Phone: (91) (33) 2248 8173 / 9808 Fax: (91) (33) 2243 0021 Email: cschandisteel@jaibalajigroup.com Website: www.jaibalajigroup.com
vi) Whether listed company - Yes / No	Yes (Listed with The Calcutta Stock Exchange Limited)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 96, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Phone: (91) (33) 2243 5029 / 5809 Email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Steel	24103	95.29%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
NIL					

i) Category-wise Share Holding

[illegible]

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total(B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5,174,100	58,300	5,232,400	49.64	5,174,100	58,300	5,232,400	49.64	0.00
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,702	149,900	160,602	1.52	10,702	149,900	160,602	1.52	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	106,300	0	106,300	1.01	106,300	0	106,300	1.01	0.00
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	5,291,102	208,200	5499302	52.18	5,291,102	208,200	5,499,302	52.18	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5,291,102	208,200	5499302	52.18	5,291,102	208,200	5,499,302	52.18	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	10,331,800	208,200	10,540,000	100.00	10,331,800	208,200	10,540,000	100.00	0.00

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year as on 01.04.2015			shareholding at the end of the Year as on 31.03.2016			% change in share holding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SANJIV JAJODIA	1,447,498	13.73	0.00	1,447,498	13.73	0.00	0.00
2	GAURAV JAJODIA	600,000	5.69	0.00	600,000	5.69	0.00	0.00
3	SANGEETA JAJODIA	600,000	5.69	0.00	600,000	5.69	0.00	0.00
4	AASHISH JAJODIA	556,500	5.28	0.00	556,500	5.28	0.00	0.00
5	KANCHAN JAJODIA	511,500	4.85	0.00	511,500	4.85	0.00	0.00
6	ADITYA JAJODIA	454,500	4.31	0.00	454,500	4.31	0.00	0.00
7	RAJIV JAJODIA	423,000	4.01	0.00	423,000	4.01	0.00	0.00
8	DEVENDRA PRASAD JAJODIA	300,000	2.85	0.00	300,000	2.85	0.00	0.00
9	SHASHI JAJODIA	147,000	1.39	0.00	147,000	1.39	0.00	0.00
10	SHRI SANKATMOCHAN STEEL PRIVATE LIMITED	400	0.00	0.00	400	0.00	0.00	0.00
11	SHRI KESHNRINANDAN TRADE PRIVATE LIMITED	300	0.00	0.00	300	0.00	0.00	0.00
17	Total	5,040,698	47.82	0.00	5,040,698	47.82	0.00	0.00

(iii) **Change in Promoters' Shareholding** *(Please specify, if there is no change)*

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
	During the Financial Year 2015-16, there has been no change in the shareholding of the Promoter/Promoter Group of the Company.							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	BHAVSAGAR VYAPAAR PRIVATE LIMITED							
	At the beginning of the year	507,300	4.81					
				Nil movement during the year				
	At the End of the year						507,300	4.81
2	UMANG WEBTECH PRIVATE LIMITED							
	At the beginning of the year	502,700	4.77					
				Nil movement during the year				
	At the End of the year						502,700	4.77
3	NAYAN IMPEX PRIVATE LIMITED							
	At the beginning of the year	500,000	4.74					
				Nil movement during the year				
	At the end of the year						500,000	4.74
4	DARSHAN BARTER PRIVATE LIMITED							
	At the beginning of the year	482,500	4.58					
				Nil movement during the year				
	At the End of the year						482,500	4.58
5	HORA VANIJYA PRIVATE LIMITED							
	At the beginning of the year	475,000	4.51					
				Nil movement during the year				
	At the End of the year						475,000	4.51
6	KANAD EXIM LTD.							
	At the beginning of the year	450,000	4.27					
				Nil movement during the year				
	At the End of the year						450,000	4.27
7	INDUS LIFE ADVISORY & BROKING PRIVATE LIMITED							
	At the beginning of the year	429,800	4.08					
				Nil movement during the year				
	At the End of the year						429,800	4.08
8	MARUTI STOCKFIN PVT. LTD							
	At the beginning of the year	369,000	3.50					
				Nil movement during the year				
	At the End of the year						369,000	3.5
9	VATSALYA DEALERS PVT. LTD							
	At the beginning of the year	350,700	3.33					
				Nil movement during the year				
	At the End of the year						350,700	3.33
10	HARSH SECURITIES PRIVATE LIMITED							
	At the beginning of the year	350,000	3.32					
				Nil movement during the year				
	At the End of the year						350,000	3.32

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of		Change during the year			Cumulative Shareholding during	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	Devendra Prasad Jajodia (Managing Director)							
	At the beginning of the year	300,000	2.85					
	At the End of the year				Nil movement during the year		300,000	2.85
2	Shri Sanjiv Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	1,447,498	13.73					
	At the End of the year				Nil movement during the year		1,447,498	13.73
3	Shri Gourav Jajodia (Non-Executive Promoter Director)							
	At the beginning of the year	600,000	5.69					
	At the End of the year				Nil movement during the year		600,000	5.69
4	Shri Vishal Bagri (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
5	Shri Anshuman Dalmia (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
6	Shri Mahesh Kumar Keyal (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
7	Ms. Ekta Agarwal (Non-Executive Independent Director) **							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
8	Ms. Swati Agarwal (Non-Executive Independent Director) *							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
9	Shri Susanta Sarkar (Executive Director)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
10	Smt. Seema Chowdhury (KMP, being Company Secretary)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
11	Shri Vijay Singh (KMP, being Chief Financial Officer)							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00

* Appointed w.e.f 13.11.2015

** Resigned w.e.f 12.11.2015

V. INDEBTEDNESS

Indebtness of the Company including interest outstanding / accrued but not due for payment

(In Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2015)				
i) Principal Amount	101,454,385.69	339,976,288.18	-	441,430,673.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	101,454,385.69	339,976,288.18	-	441,430,673.87
Change in Indebtedness during the financial year				
1. Addition	-	8,109,972.00	-	8,109,972.00
2. Reduction	27,971,723.73	1,308,496.85	-	29,280,220.58
Net Change	(27,971,723.73)	6,801,475.15	-	(21,170,248.58)
Indebtedness at the end of the financial year (as on 31.03.2016)				
i) Principal Amount	73,482,661.96	346,777,763.33	-	420,260,425.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	73,482,661.96	346,777,763.33	-	420,260,425.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Devendra Prasad Jajodia (Managing Director)	Shri Susanta Sarkar (Professional Executive Director)	
1	Gross salary	420,000	153,790	573,790
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission as % of profit	-	-	-
4	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	420,000	153,790	573,790
	Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013		

B. Remuneration to Other Directors:

(In Rs)

I.	Independent Directors:						
	Particulars of Remuneration	Name of Directors					Total
		Shri Vishal Bagri	Shri Anshuman Dalmia	Shri Mahesh Kumar Keyal	Ms. Ekta Agarwal	Ms. Swati Agarwal	
1	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
2	Commission						
3	Others, please specify						
	Total (1)						

(in Rs)

II.	Other Non-Executive/ Nominee Directors			
		Shri Sanjiv Jajodia	Shri Gourav Jajodia	Total Amount
1	Fee for attending board / committee meetings	Nil	Nil	
2	Commission	Nil	Nil	
3	Others, please specify	-	-	
	Total (2)			
	Total (B)=(1+2)	Nil	Nil	
	Total Managerial Remuneration (A+B)			573,790
	Overall Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Smt. Seema Chowdhury	Shri Vijay Singh	Total
	Gross salary	550,005	230,779	780,784
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
	Others, please specify	-	-	-
	Total (A)	550,005	230,779	780,784

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
B. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014, PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016:

A. Conservation of energy:

- a) Steps taken or impact on conservation of energy and steps taken by the Company for utilizing alternate sources of energy

Continuous efforts/measures are being initiated and training programmes are being imparted to the workers at plant level for conservation of energy.

- b) Capital investment on energy conservation equipment:

No Capital Investment has been made on energy conservation equipment.

B. Technology absorption:

- i. Efforts made towards technology absorption:

Continuous efforts are being made during the design, engineering and construction stage to ensure that the technology is understood and necessary measures to minimize energy consumption are incorporated in the plant.

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

As a result of above efforts, there was improvement in product quality and productivity, better availability of materials, increase in house capability and saving in fixed processing cost.

- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- | | | |
|---|---|----------------|
| a. The details of technology imported | : | Nil |
| b. The year of import | : | Not Applicable |
| c. Whether the technology been fully absorbed | : | Not Applicable |
| d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : | Not Applicable |

- iv. Expenditure incurred on Research and Development: NIL

C. Foreign exchange earnings and outgo:

Details of Foreign Exchange earned in terms of actual inflows and outgo in terms of actual outflows during the year under reporting:

(` in Lacs)

Particulars	2015-16	2014-15
Inflows	2,729.41	733.11
Outgo	Nil	Nil

DETAILS PURSUANT TO SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

- i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of Director	Remuneration (Rs.)	Median Remuneration of Employees (Rs.)	Ratio
1.	Shri Devendra Prasad Jajodia	4,20,000	1,14,048	3.68 times
2.	Shri Sanjiv Jajodia*	0		0
3.	Shri Susanta Sarkar	1,53,790		1.35 times
4.	Shri Gourav Jajodia*	0		0
5.	Shri Anshuman Dalmia*	0		0
6.	Shri Vishal Bagri**	0		0
7.	Shri Mahesh Kumar Keyal*	0		0
8.	Ms. Ekta Agarwal***	0		0
9.	Smt. Swati Agarwal****	0		0

*Resigned w.e.f. 1st April, 2016

** Resigned w.e.f 15th April, 2016

*** Resigned w.e.f 12th November, 2015

**** Appointed w.e.f 13th November, 2015

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

There has been increase in the remuneration of Shri Susanta Sarkar, Director of the Company and apart from him there is no increase in remuneration of other Directors and the Company Secretary of the Company in the financial year.

Remuneration of Shri Susanta (As on 31 st March, 2015)	Remuneration of Shri Susanta (As on 31 st March, 2016)	Percentage increase in Remuneration
1,33,000	1,53,790	15.63%

- iii) The percentage increase in the median remuneration of employees in the financial year:

There has been increase in the median remuneration of employees in the financial year as per following:

Median Remuneration of Employees (As on 31 st March, 2015)	Median Remuneration of Employees (As on 31 st March, 2016)	Percentage increase in Median Remuneration
99,552	1,14,048	14.56%

- iv) The number of permanent employees on the rolls of the Company:

There were 57 employees on the rolls of the Company as on 31st March, 2016.

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- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sl. No.	Particulars	% Increase
1.	Average increase in the salaries of employees other than the managerial personnel	Nil
2.	Average increase in the remuneration of managerial personnel	Nil

There are no exceptional circumstances for increase in the managerial remuneration.

- vi) It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

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Report of the Directors on Corporate Governance

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. The Company defines, follows and practices the highest level of corporate governance. Our corporate governance is a reflection of our value system encompassing our culture, policies and relationship with our stakeholders. Sound governance system is integral to creating enduring value for all. It lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons and in taking ethical business decisions and conducting business in a manner that is beneficial to the interest of both the Company and its stakeholders. Integrity and transparency are key to our corporate governance practices and performance and ensure that we retain and gain the trust of our stakeholders at all times.

The detailed report on Corporate Governance for the financial year ended 31st March, 2016 as per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below. This report gives the factual position as at the end of the financial year ended 31st March, 2016. Wherever the context so requires for a better understanding of the situation, the developments post the period have also been covered.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The Company is committed to observe good governance by focusing on highest standards of transparency, accountability, integrity and law abiding behaviour and to meet stakeholders' aspirations and social expectations.

Good Corporate Governance has always been an integral part of the Company's day to day activities. We, at Chandi Steel Industries Limited aim to encourage the observance of these standards to protect, cater and promote the interest of all stakeholders and are guided by the six core values of Customer value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

Pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh listing agreement with the Stock Exchange wherein the equity shares of the Company are listed viz. The Calcutta Stock Exchange Limited.

During the year, the Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015, erstwhile Clause 49 of the Listing agreement, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

We believe that Board needs to have an appropriate mix of executive and non-executive directors to maintain its independence and separate its function of governance and management. The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. The non- executive directors including independent directors are person of high integrity and are vastly competent and experienced and they take a constructive part in the Board and its Committee Meetings. They act as a catalyst in fostering growth and play a major role in implementing best Corporate Governance practices. The Board reviews its

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strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

■ **Composition and Category of Directors**

As on 31st March, 2016, the Company has eight directors. Of eight directors, six are Non-Executive Directors out of which four are Independent Directors. The composition of Board is in conformity with the Regulation 17 of the SEBI (LODR), Regulations, 2015 read with Section 149 of the Companies Act, 2013. The detailed composition and Category of the Board as on 31st March, 2016 is tabled below:

Name of Directors	Category
Shri Devendra Prasad Jajodia	Promoter Executive Director (Chairman & Managing Director)
Shri Sanjiv Jajodia	Promoter Non-Executive Director
Shri Gourav Jajodia	Promoter Non-Executive Director
Shri Vishal Bagri	Non-Executive Independent Director
Shri Anshuman Dalmia	Non-Executive Independent Director
Shri Mahesh Kumar Keyal	Non-Executive Independent Director
Shri Susanta Sarkar	Professional Executive Director
Ms. Ekta Agarwal*	Non-Executive Independent Director
Ms. Swati Agarwal	Non-Executive Independent Director

*ceased to be Director w.e.f 11th November, 2015

Pursuant to Section 149 of the Companies Act, 2013 and clause 49(II)(A) of the Listing Agreement with the Stock Exchange, the Company has appointed Ms. Swati Agarwal (DIN: 07158355) as an Additional Director (Category: Non-Executive Independent Director) w.e.f. 13th November, 2015.

Shri Sanjiv Jajodia, Shri Gourav Jajodia, Shri Anshuman Dalmia and Shri Mahesh Kumar Keyal resigned from the post of Directorship of the Company from the closing hours of 31st March, 2016. Further, Shri Vishal Bagri ceased to be a director w.e.f 15th April, 2016.

Shri Ashok Kumar Choudhary (DIN : 07603658) and Shri Sumit Kumar Rakshit (DIN : 07603642) were appointed as Additional Directors (Category: Non-Executive Independent Director) w.e.f. 1st September, 2016 pursuant to Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- None of the Directors on the Board hold directorship in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies as on 31st March, 2016. Necessary disclosures regarding Committees positions in other public companies as on 31st March, 2016 have been given by the Directors.
- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of SEBI (LODR), Regulations, 2015 read with Section 149(6) of Companies Act, 2013. The maximum tenure of independent directors is in compliance with the Act. All the Independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) SEBI (LODR), Regulations, 2015 read with Section 149(6) of Companies Act, 2013.
- A Formal Letter setting out the terms and conditions of appointment has been issued to all the Independent Directors as per the provisions of Companies Act, 2013 and clause 49(II)(B) of the amended Listing Agreement with the Stock Exchange. The same has been hosted on the Company's website and can be accessed via link <http://www.jaibalajigroup.com/chandi-steel/letter-appointment.pdf> of the Company.

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- None of the non-executives directors is serving as Independent Directors in more than seven listed entities. Further, any independent director serving as whole time director in any listed entity is not serving as Independent Director in more than 3 listed entities.
- At the time of appointment and thereafter at the beginning of each financial year, the Independent Director shall submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that the Directors meet the eligibility criteria of independence. All such declarations were placed before the Board for information.

▪ Particulars of number of Board Meetings held and attendance of each Director at Board Meetings and last Annual General Meeting

The Board ensures that the Company's reporting and disclosures practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value. The Company has also complied with Secretarial Standards-1 as issued by the Institute of Company Secretaries of India in relation to the compliance while conducting Board Meeting.

The Board generally meets at regular intervals to discuss and decide on Company's business policy and strategy apart from normal business. Agenda and Notes on the agenda are circulated among the Directors, well in advance in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. Every Board member can suggest the inclusion of additional items in the agenda provided unanimous consent has been received by the Board Members.

During the financial year 2015-16, 9 (Nine) meetings of the Board were held viz., 30th April, 2015, 26th May, 2015, 13th August, 2015, 31st August, 2015, 26th September, 2015, 6th November, 2015, 13th November, 2015, 11th February, 2016 and 31st March, 2016. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum was present at all the meetings.

The details of Board Meeting held and attendance of each Director at the Board meetings during the financial year 2015-16 and at the last Annual General Meeting held on 29th September, 2015 are listed below:

Name of Directors	No. of Board Meetings attended	Whether attended last AGM
Shri Devendra Prasad Jajodia	9	Yes
Shri Sanjiv Jajodia	9	Yes
Shri Gourav Jajodia	9	Yes
Shri Vishal Bagri	9	Yes
Shri Anshuman Dalmia	9	Yes
Shri Mahesh Kumar Keyal	9	Yes
Shri Susanta Sarkar	9	Yes
Ms. Ekta Agarwal*	6	Yes
Ms. Swati Agarwal**	3	-

*Resigned w.e.f 11th November, 2015

** Appointed w.e.f 12th November, 2015

Ms. Seema Chowdhury, Company Secretary of the Company was present at all meetings of the Board of Directors held during the financial year 2015-16 and at the last Annual General Meeting.

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Separate Meeting of Independent Directors

Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and pursuant to Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate that the independent directors of the Company hold at least one separate meeting in a year, without the attendance of non-independent directors and members of the management. Further, all independent directors of the Company must strive to be present at such meeting.

During the year 2015-16, the separate meeting of the Independent Directors was held on 11th February, 2016. The Independent directors of the Company, inter-alia, reviewed the performance of the non-independent directors and the Board as a whole, as well as the performance of the Chairman of the Board, taking into account the views of executive and non-executive directors; assessed the quality, quantity and timeliness of flow of information between the Management and Board which is necessary to effectively and reasonably perform and discharge their duties. The Directors were satisfied with the overall performance of the Board and the contribution made by the Directors at different parameters in their individual capacity.

■ Number of other Directorship and Committee Membership/Chairmanship

The Number of directorship and committee membership/chairmanship held by each director in other companies is tabled below:

Name of Directors	Number of directorship held in other companies		Number of committee position held in Public Limited Companies ***	
	Public Limited Companies*	Others**	Committee Membership(s)	Committee Chairmanship(s)
Shri Devendra Prasad Jajodia	1	2	-	-
Shri Sanjiv Jajodia	8	1	-	1
Shri Gourav Jajodia	3	-	1	-
Shri Vishal Bagri	1	3	1	-
Shri Anshuman Dalmia	-	5	-	-
Shri Mahesh Kumar Keyal	-	4	-	-
Shri Susanta Sarkar	-	-	-	-
Ms. Ekta Agarwal	-	-	-	-
Ms. Swati Agarwal	1	-	1	-

*Includes alternate directorship in public limited companies (excluding Chandi Steel Industries Limited) and directorship in private companies that are either holding or subsidiary of a public company.

**Includes directorship of any private limited companies (including alternate directorship), companies incorporated outside India and companies under section 8 of the Companies Act, 2013.

*** Membership(s)/Chairmanship(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies [listed and unlisted] as required by Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (excluding Chandi Steel Industries Limited)

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31st March, 2016.

■ Disclosure of Relationship between Directors Inter-se

None of the directors are related to each other or to the promoters except Shri Sanjiv Jajodia and Shri Devendra Prasad Jajodia who are related as brothers and Shri Gourav Jajodia is son of Shri Devendra Prasad Jajodia.

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▪ **Shareholding of Non-Executive Directors**

Details of equity shares of the Company held by Non-executive Directors as on March, 31, 2016 are given below:

NAME	CATEGORY	NUMBER OF EQUITY SHARES
Shri Sanjiv Jajodia	Promoter Non-executive Director	14,47,498
Shri Gourav Jajodia	Promoter Non-executive Director	6,00,000

The Company has not issued any convertible instruments during the year 2015-16.

▪ **Familiarisation Programme imparted to Independent Directors**

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programmes conducted by the Company. The Independent Directors, are made aware of the present nature of the industry in which the Company operates and challenges faced by it, the business model of the Company etc. and the programme also intends to provide insights into the Company so that Independent Directors can understand their roles, rights and responsibilities that they are expected to perform to keep them updated on the operations and business of the Company thereby facilitating active participation in managing the affairs of the Company.

Familiarisation programme was conducted by the Company on 11th February, 2016 in the presence of the Chairman and Managing Director, the Company Secretary and all the existing Independent Directors of the Company. The details of the familiarisation programme have been hosted on the company's website and are available on the web link <http://www.jaibalajigroup.com/chandi-steel/familiarisation-programme-details.pdf>

3. BOARD COMMITTEES

In order to ensure better governance and accountability and to deal with specific areas/concerns, the Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and assures that shareholders long term interests are being served. The Board periodically evaluates the performance of all the committees. The minutes of the committee meetings are placed before the Board and all observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval. Composition of various committees of the Board of Directors is also hosted on the website on the web link <http://www.jaibalajigroup.com/chandi-steel/composition-of-various-committees-of-board-of-directors.pdf>.

Details of various Board level Committees of the Company are as follows:

❖ **Audit Committee**

The Board has a qualified and independent Audit Committee acting as a link between the Management, the Statutory Auditor, the Internal Auditor, the Cost Auditor and the Board of Directors.

▪ **Terms of reference of the committee**

In order to ensure conformity with Section 177(1) of the Companies Act, 2013 and Regulation 18 read with of Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December 1, 2015, the Board of Directors has, at its meeting held on 13th November, 2015, approved the following revised terms of reference for the Audit Committee ('the committee'):

Chandi Steel Industries Limited

- 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;
- Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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 required to be included in the directors' responsibility statement to be included in the Board's Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ✓ changes if any, in accounting policies and practices and reasons for the same
 - ✓ major accounting entries involving estimates based on the exercise of judgement by management;
 - ✓ significant adjustments made in the financial statements arising out of audit findings;
 - ✓ compliance with listing and other legal requirements relating to financial statements;
 - ✓ disclosure of any related party transactions;
 - ✓ modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;

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- 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;
- 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;
- 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;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer (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;
- Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.
- The committee shall mandatorily review the following information:
 - ✓ Management discussion and analysis of financial condition and results of operation;
 - ✓ Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
 - ✓ Management letters/letters of internal control weaknesses as issued by statutory auditors;
 - ✓ Internal Audit Report related to internal control weaknesses; and
 - ✓ The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - ✓ Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

▪ **Composition, Name of the members and Chairperson of the Committee**

As on March 31, 2016, the Audit Committee comprises of 3 Directors details of which are given hereunder:

Name of the members	Category
Shri Anshuman Dalmia (Chairman)	Non-Executive Independent Director
Shri Mahesh Kumar Keyal	Non-Executive Independent Director
Shri Vishal Bagri	Non-Executive Independent Director

The Committee's composition meets with requirement of Section 177(1) of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and possess requisite accounting or financial management expertise. The Chairman of the committee is an Independent Director, elected by the Members of Committee. Shri Anshuman Dalmia, Chairman of the Audit Committee, was present at the last Annual General Meeting held on 29th September, 2015 to answer the shareholders queries. Ms. Seema Chowdhury, Company Secretary acts as the Secretary to the committee.

The Board of Directors at its meeting held on 31st March, 2016 re-constituted the Audit Committee w.e.f 1st April, 2016. Ms. Swati Agarwal (Category: Non-executive Independent Director) was inducted as the member of the Audit Committee and thereby designated as the Chairman of the Committee. Shri Anshuman Dalmia, Shri Mahesh Kumar Keyal and Shri Vishal Bagri have ceased to be the member of the Committee w.e.f 1st April, 2016.

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▪ **Meetings of the Audit Committee and Attendance of the Members at the meetings**

During the financial year 2015-16, 6 (Six) meetings of the Audit Committee were held viz., 26th May, 2015; 13th August, 2015; 31st August, 2015; 26th September, 2015; 13th November, 2015 and 11th February, 2016 . The maximum time gap between two consecutive audit committee meetings did not exceed four months. The necessary quorum was present at all the meetings.

The attendance of each of the member at the meetings of the committee held during the financial year 2015-16 is tabled below:

Name of the members	No. of meetings attended
Shri Anshuman Dalmia (Chairman)	6
Shri Mahesh Kumar Keyal	6
Shri Vishal Bagri	6

The necessary quorum was present at all the meetings. The Audit Committee invites Chief Financial Officer and a representative of Statutory Auditor of the Company as considered appropriate by the committee for each meeting to provide inputs on issues relating to accounts, taxation, risk management etc. The Company Secretary attended all the committee meetings. Minutes of the committee meetings are placed and discussed in length before the Board.

❖ **Nomination & Remuneration Committee**

▪ **Terms of reference of the committee**

In order to ensure conformity with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December 1, 2015, the Board of Directors has, at its meeting held on 13th November, 2015, approved the following revised terms of reference for the Nomination & Remuneration Committee ('the committee'):

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying 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 of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

▪ **Composition, Name of the members and Chairperson of the Committee**

As on March, 31, 2016, the Nomination & Remuneration Committee comprises of 3 Non-executive Directors, details of which are given hereunder:

Name of the Members	Category
Shri Anshuman Dalmia (Chairman)	Non-Executive Independent Director
Shri Vishal Bagri	Non-Executive Independent Director
Shri Mahesh Kumar Keyal	Non-Executive Independent Director

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The Committee's composition meets with requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman of the committee, Shri Anshuman Dalmia, was present at the last Annual General Meeting to answer the queries of the shareholders.

The committee was re-constituted by the Board of Directors of the Company w.e.f 1st April, 2016. Shri Anshuman Dalmia, Shri Vishal Bagri and Shri Mahesh Kumar Keyal tendered their resignation and ceased to be the member of the committee w.e.f 1st April, 2016. Further, Ms. Swati Agarwal (Category: Non-executive Independent Director) was inducted as the member of the Committee and thereby designated as the Chairman of the committee.

▪ Meetings of the Nomination & Remuneration Committee and Attendance of the Members at the meetings

During the financial year 2015-16, 4 (Four) meeting of the committee was held viz., 16th April, 2015; 30th April, 2015; 13th August, 2015 and 13th November, 2015. The necessary quorum was present at all the meetings.

The attendance of each of the member at the meetings of the committee held during the financial year 2015-16 is tabled below:

Name of the Members	No. of meetings attended
Shri Anshuman Dalmia (Chairman)	4
Shri Vishal Bagri	4
Shri Mahesh Kumar Keyal	4

All the recommendations made by the Committee during the year was accepted by the Board. Minutes of the committee meetings were placed and discussed in length before the Board.

▪ Performance evaluation criteria for Independent Directors

Pursuant to applicable provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee of the Company has formulated a criteria for efficient evaluation of performance of the Independent Directors for assessing the balance of skills, knowledge and experience and building team work among board member and overall growth of the organisations.

Performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgement.

The Board evaluation process was undertaken on 13th November, 2015 where individual opinions of all directors were taken into account. The performance of each category was evaluated and it was concluded taking in views of all the Board of Directors of the Company and expressing their satisfaction over the evaluation process and the results thereof.

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▪ **Board Diversity policy**

Every Company is required to have diversified Board to meet the flexible environment changes penetrating inside the industry. Your Company has formulated a Board diversity policy as per the recommendation of Nomination and Remuneration Committee to have a diversified Board in achievement of the Company's strategic and commercial objectives.

❖ **Stakeholders' Grievance Committee**

The stakeholders' grievances committee is constituted in line with Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The committee is empowered to supervise and ensure efficient transfer of equity shares of the Company and proper and timely attendance of investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation and dematerialisation etc of shares of the Company to the executives of the Secretarial Department of the Company.

- Mr. Gourav Jajodia, Promoter Non-Executive Director, is the Chairman of the Committee.
- Ms. Seema Chowdhury, Company Secretary, is designated as the Compliance Officer of the Committee
- The Committee expressed its satisfaction with the Company's performance in dealing with the investor grievances ad its share transfer system.
- Details of investor complaint received and resolved during the Financial Year 2015-16 are as follows:

Investor Grievance at the beginning of the year	Investor complaint received during the year	Investor complaint resolved during the year	Investor Grievance at the end of the year
NIL	-	-	NIL

4. DIRECTOR'S REMUNERATION

Remuneration policy in the Company is designed to create high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The remuneration policy supports such mobility through pay models to that are compliant to local regulation. The company has formulated Nomination & Remuneration policy which forms a part of Boards' Report and is also available on the Company's website on the web link <http://www.jaibalajigroup.com/chandi-steel/nomination-remuneration-policy.pdf>. The Company does not have any scheme for grant of Stock Options to its Directors, Managing Directors or other employees. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Director.

▪ **All Pecuniary Relationship or Transaction of the Non-executive Directors**

The Non-executives Independent Directors of the Company does not have any material pecuniary relationships or transactions with the Company or its directors or senior management other than in the ordinary course of business.

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▪ **Criteria of payments:**

The remuneration determined for the Executive/Non-executive Director is subject to the approval of the Board, the Members and approval of Central Government wherever applicable.

➤ **Non-Executive Directors:**

The Non-Executive Directors are not entitled to receive remuneration at present. Therefore, no sitting fee for participation in the Board Meeting or any commission is paid by the Company to the Non-executive Directors.

➤ **Executive Directors:**

The Company pays remuneration by way of salary as a fixed component. As on 31st March, 2016, the Board comprises of 2 executive directors i.e, Shri Devendra Prasad Jajodia, Managing Director and Shri Susanta Sarkar, Executive Director of the Company. The remuneration paid to Shri Devendra Prasad Jajodia is governed by terms and condition of appointment of Shri Devendra Prasad Jajodia which includes his tenure for 5 years as effective from 1st April, 2012.

During the year 2015-16, the remuneration paid to Shri Devendra Prasad Jajodia was revised from Rs. 3,00,000/- p.m. to Rs. 35,000/- p.m. w.e.f 1st April, 2015 pursuant to the authority granted to the Board by the members of the Company at its Annual General Meeting held on 29th September, 2012 and the said remuneration is within the limits as specified under Section 197 read with Part B of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

(Rs.)

Name of the Directors	Salary	Benefits / Allowances, etc. (fixed component)	Total
Shri Devendra Prasad Jajodia	4,20,000	Nil	4,20,000
Shri Susanta Sarkar	1,53,790	Nil	1,53,790
Total	5,73,790	Nil	5,73,790

5. **GENERAL BODY MEETINGS**

❖ **Annual General Meeting (AGM)**

The location, date and time of the last three Annual General Meeting are as follows:

Financial	Date	Time	Location
2014-15	Tuesday, 29 th September, 2015	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2013-14	Tuesday, 30 th September, 2014	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2012-13	Saturday, 28 th September, 2013	2:00 P.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001

❖ **Special Resolutions passed in the previous 3 Annual General Meeting**

The following Special Resolutions were taken up in the last three AGMs and were passed with requisite majority.

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2014-15	i. To enter into contracts, arrangements, transactions including material transaction with its related parties under Section 188 of the Companies Act, 2013.
2013-14	ii. Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. iii. Creation of charges, mortgages and hypothecations on the movable and immovable properties of the Company comprising the whole or substantially the whole of any of its undertaking(s), both present and future, under Section 180(1)(a) of the Companies Act, 2013.
2012-13	No Special Resolution was passed.

❖ Special Resolution passed through postal ballot during financial year 2015-16

No special resolution was passed through the exercise of postal ballot during the financial year under review. Further, no special resolution has been proposed to be passed vide postal ballot at the ensuing Annual General Meeting.

6. MEANS OF COMMUNICATION

▪ Quarterly Results

In compliance with Clause 41 of the Listing Agreement and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December, 1, 2015, the Company submits the quarterly, half-yearly and annual financial results in the prescribed format to the stock exchange as soon as the same are approved and taken on record by the Board. The same is hosted on the website of the Company i.e. www.jaibalajigroup.com.

The Company has promptly intimated all material information including official news and release vide its website and the same is sent to Stock Exchange, if any.

▪ Newspapers wherein results are normally published

Pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quarterly, half-yearly and annual financial results of the Company are normally published in Financial Express (English Newspaper), and Ekdin & Arthik Lipi (Vernacular Newspaper).

▪ Website

In compliance with Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December, 1, 2015 the Company is maintaining a functional website i.e. www.jaibalajigroup.com containing the basic required information and is comprehensive reference on the Company's management, vision, mission, policies, operations, financials etc.

▪ Presentation made to Institutional Investors or to the Analyst

The presentations, if any, made to institutional investors and analysts at investors meet from time to time are also posted on the Company's website.

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7. GENERAL SHAREHOLDER INFORMATION

<u>38th Annual General Meeting</u>	Day/Date : Friday, 30 th September, 2016 Time : 11:00 a.m. Venue : 3, Bentinck Street, Kolkata – 700 001								
<u>Financial Year</u>	1 st April, 2015 to 31 st March, 2016								
<u>Date of book closure</u>	The Register of Members and Share Transfer Book shall remain closed from Saturday, 24 th September, 2016 to Friday, 30 th September, 2016								
<u>Financial calendar (tentative schedule) for the year 2016-17</u>	1 st April, 2016 to 31 st March, 2017 The probable dates for submission of the Financial Results for the financial year 2016-17: <table border="1"> <tr> <td>1st Quarter Results</td><td>11th August, 2016</td></tr> <tr> <td>2nd Quarter Results</td><td>On or before 14th Nov, 2016</td></tr> <tr> <td>3rd Quarter Results</td><td>On or before 14th Feb, 2016</td></tr> <tr> <td>Annual Results</td><td>On or before 30th May, 2017</td></tr> </table>	1 st Quarter Results	11 th August, 2016	2 nd Quarter Results	On or before 14 th Nov, 2016	3 rd Quarter Results	On or before 14 th Feb, 2016	Annual Results	On or before 30 th May, 2017
1 st Quarter Results	11 th August, 2016								
2 nd Quarter Results	On or before 14 th Nov, 2016								
3 rd Quarter Results	On or before 14 th Feb, 2016								
Annual Results	On or before 30 th May, 2017								
<u>Date of Dividend payment</u>	N.A.								
<u>Listing on stock exchanges</u>	The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata – 700 001								
The Listing Fees as applicable have been paid									
<u>Stock code</u>	10013341								
<u>Depositories</u>	: National Securities Depository Limited Trade world, 4 th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street Mumbai – 400 001 Annual Custodial Fees pertaining to year 2016-17 have been duly paid.								
<u>Demat International Security Identification Number (ISIN) in NSDL and CDSL</u>	INE204G01017								
<u>Corporate Identification Number (CIN)</u>	L13100WB1995PLC031670								

▪ **Registrar and Share Transfer Agent**

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone No.: (91) (33) 2243 5029/5809
E-mail: mdpldc@yahoo.com

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▪ Share transfer system

The Company has retained Maheshwari Datamatics Private Limited to carry out transfer related activities. Authorised personnel are approving the transfer on periodical basis. All valid transfers are affected within stipulated days. Share certificate received at registered office are also sent to the Registrars and Share Transfer agent at the above mentioned address for doing the needful. In case of electronic transfer, the bye laws of Depositories are complied with. The Stakeholders Relationship Committee records the number of transfer request and oversees its execution.

The Company obtains half-yearly certificate of compliance pertaining to share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December, 1, 2015 from a Company Secretary in Practice and files a copy of the said certificate with the Stock Exchange.

Further, the Company also obtains a Compliance Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as effective from December, 1, 2015 in relation to both physical and electronic share transfer facility maintained by Registrars and Share Transfer agent i.e. Maheshwari Datamatics Private Limited.

▪ Categories Of Shareholders as on 31st March, 2016

1	Category	No. of Shareholders	No. of shares held	As a %age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	11	5,040,698	47.83
	Foreign	Nil	NIL	NIL
	Total Promoter Shareholding (A)	11	5,040,698	47.83
B	Public Holding			
	Institutions	Nil	Nil	Nil
	Non-Institutions	653	54,99,302	52.17
	Total Public Shareholding (B)	653	5,499,302	52.17
C	Shares held by Custodian & against which Depository receipts have been issued (C)	Nil	NIL	NIL
	Grand Total (A+B+C)	664	10,540,000	100.00

▪ Distribution of Shareholding as on 31st March, 2016

Range of ordinary shares held	No of Shareholders	Percentage (%) to total shareholders	No. of Shares	Percentage (%) to share capital
Up to 500	623	93.83	147,600	1.40
501 to 1000	8	1.20	7,300	0.07
5001 to 10000	1	0.15	6,402	0.06
10001 and above	32	4.82	10,378,698	98.47
Total	664	100.00	10,540,000	100.00

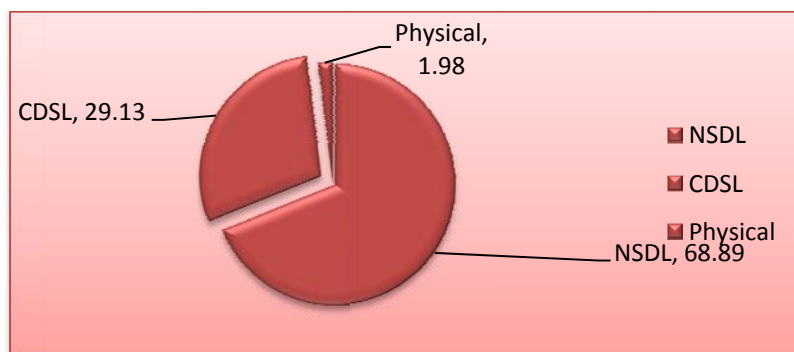
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▪ **Dematerialization Of Shares And Liquidity as on 31st March, 2016**

Our Company's shares are tradable compulsorily in electronic form on The Calcutta Stock exchange Limited. We have established connectivity with both the depositories, i.e., the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE204G01017.

Total of 10,331,800 equity shares of the Company representing 98.02% of the Company's share capital were held in dematerialised form as on 31st March, 2016 of which 7,261,300 equity shares were held with NSDL and 3,070,500 equity shares with CDSL. The entire Promoters' Group shareholding in the Company is in dematerialised form.

To enable us to serve our shareholders better, we request shareholders whose shares are in physical mode to dematerialize shares and to update their bank account with their respective depository participant.



▪ **Outstanding global depository receipt or american depository receipt or warrants Or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants/Convertible Instruments in the past and hence as on 31st March, 2016, the Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments.

▪ **Commodity Price Risk or Foreign Exchange Risk and Hedging activities**

The company did not engage in any hedging activities.

▪ **Plant Locations**

16, Belur Road, Liluah, Howrah

▪ **Address For Correspondence**

The Company Secretary

Chandi Steel Industries Limited

3, Bentinck Street,

Kolkata - 700 001

Phone No.: (033) 2248 8173 / 9808

Fax: (033) 2243 0021

E-mail: cschandisteel@jaibalajigroup.com

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8. DISCLOSURES

▪ Related Party Disclosures

All material transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website on the web link <http://www.jaibalajigroup.com/chandi-steel/related-party-policy.pdf>.

The Company has entered into certain material related party transactions with its related parties which are continuing beyond 31st March, 2016 and they do not have any potential conflict with the interest of the Company at large. Further, approval of the members have been taken at the Annual General Meeting of the Company for the financial year 2014-15. Considering the fact that the Company frequently enters into transactions with its related parties and such transactions are repetitive in nature, the Company has at the meeting of the Audit Committee held on 13th August, 2015 obtained omnibus approval of the Committee for all related party transactions subject to their value not exceeding Rs.1 (One) crore per transaction valid upto a period of 1 (One) year from the date of such approval pursuant to clause 49(VI)(D) of the listing Agreement with the Stock Exchange. The Company at its meeting held on 30th May, 2016 has obtained a fresh approval which shall be valid for a period of 1 (one) year pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Statement of such transactions is periodically placed before the audit committee for review. Also, all related party transactions are placed before the audit committee for approval. Further, approval from the members have been taken at the previous Annual General meeting for such transactions.

▪ Details of non- compliance

There was no non-compliance of any of the provision applicable to the Company. No penalties or strictures have been imposed on the Company by Stock Exchange, Board or any Statutory Authority for non-compliance of any matter related to the capital markets.

▪ Details of Establishment of Vigil Mechanism, Whistleblower Policy and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for directors and employees to report concerns about unethical behaviour or suspected frauds and violation of companies code of Conduct. All the personnel of the Company have the access to the Audit Committee and no person was denied access to the Chairman of the Audit Committee. The said policy has also been put up on the website of the Company at the following link <http://www.jaibalajigroup.com/chandi-steel/whistle-blower-policy.pdf> pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

▪ Details of compliance with mandatory requirements and adoption of the non-mandatory requirement

- * The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- * The Company has also adopted a Policy on Determination of Materiality of events to be disclosed with the Stock Exchange which is available on the website of the Company on the web link <http://www.jaibalajigroup.com/chandi-steel/policy-on-determining-materiality-of-events-and-information-for-disclosure-to-the-stock-exchange.pdf> pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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- * The Company has adopted a Policy for Preservation of Documents approved by the Board of Directors in relation to preservation of documents which shall be permanent in nature and preservation of documents with preservation period of not less than 8 years of the completion of the relevant transfers as per Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ADOPTION OF NON-MANDATORY REQUIREMENT:

*** Shareholder rights**

Since the Quarterly, half-yearly and annual financial results of the Company are published newspapers and regularly hosted on the Company's website, these are not sent individually to the shareholders of the Company.

*** Modified opinion(s) in Audit Report**

The Company's Financial Statement does not contain any audit qualifications.

*** Reporting of internal Auditor**

The Internal Auditor reports indirectly to the Audit Committee and make presentations thereof.

▪ Disclosure of Accounting Treatment

The Company has complied with all the relevant Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 issued by The Institute of Chartered Accountants of India in preparation of its financial statements.

▪ Code of Conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies act, 2013, the Company has framed and adopted a code of Conduct and ethics ('the Code'). The code is applicable to the members of the Board, the executive officers and all employees of the Company. The code is available on our website <http://www.jaibalajigroup.com/chandi-steel/code-conduct-directors-seniormanagement.pdf>. All the members of the Board and the executive officers have affirmed compliance to the Code as on 31st March, 2016.

▪ Prevention of Insider Trading

The Company has adopted a policy on prevention of Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website <http://www.jaibalajigroup.com/chandi-steel/code-conduct-2015.pdf>.

▪ Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors Report.

▪ Proceeds from public issues, rights issues, preferential issues, etc.

The Company has not raised any money from public issues, rights issues, preferential issues, etc. during the financial year 2015-16.

▪ Subsidiary Companies

The Company does not have any wholly owned subsidiaries as on 31st March, 2016.

Chandi Steel Industries Limited

▪ CEO and CFO Certification

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Managing Director and the Chief Financial Officer certification is provided in this Annual report.

▪ Risk Management

Risk evaluation and management is an ongoing process within the Company and is periodically reviewed by the Board.

▪ Reconciliation of Share Capital Audit

Ms. Premlata Soni, qualified practising Company Secretary, carried out the Share Capital Reconciliation 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 of the Company. 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.

▪ Auditors' Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on corporate governance is annexed to the Boards' Report.

For and on behalf of the Board

Place: Kolkata
Date: 3rd September, 2016

Sd/-
Devendra Prasad Jajodia
Chairman & Managing Director
(DIN: 00045166)

Chandi Steel Industries Limited

Declaration

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 for the year ended 31st March, 2016.

The said Code of Conduct is posted on the website of the Company, namely, www.jaibalajigroup.com.

Place : Kolkata

Date : 3rd September, 2016

Sd/-

Devendra Prasad Jajodia

Managing Director

(DIN: 00045166)



To

The Members of CHANDI STEEL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Chandi Steel Industries Limited, for the year ended on 31st March'2016, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges for the period from 1st April'2015 to 30th November'2015 and Regulations 17 to 27, 46(2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 01st December'2015 to 31st March'2016.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations 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 an 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 / the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the year under report.

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

For Rashmi & Co
Chartered Accountants
FRN: 309122E

Sandeep Agarwal
Sandeep Agarwal
Partner
Membership No 065643



Dated: 03/09/2016

Place: Kolkata

Chandi Steel Industries Limited

CEO AND CFO CERTIFICATION **[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Board of Directors
Chandi Steel Industries Limited

We, Devendra Prasad Jajodia, Managing Director and Tushar Kanti Sarkar, Chief Financial Officer of Chandi Steel Industries Limited(hereinafter referred to as 'the Company'), certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company, for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - i. the aforesaid statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. the aforesaid statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such 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;
4. That we have indicated to the auditors and the Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, 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 involvements therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date : 3rd September, 2016

Sd/-
Devendra Prasad Jajodia
Managing Director
DIN – 00045166

Sd/-
Tushar Kant
Chief Financial Officer

Chandi Steel Industries Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY PROFILE

The Company is engaged in manufacturing and Trading of Steel products and undertakes the activity of rolling of Alloy, Carbon and Mild Steel Rounds, Flats and Squares. It is the oldest manufacturer of these items in the State and has created a niche for itself amongst the valuable customers.

ECONOMIC SCENARIO

India is the third-largest steel producer in the world. In 2015, India produced 91.46 million tonnes (MT) of finished steel. Total finished steel production in the country increased at a CAGR of 7.45 per cent over FY011–15.

Driven by rising infrastructure development and growing demand for automotives, steel consumption is expected to reach 104 MT by 2017. India's steel production is expected to increase from 100 MTPA to 112.5 MTPA by FY16 and 300 MTPA by 2025. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route. Nearly 301 MoUs have been signed with various states for planned capacity of about 486.7 MT.

A new scheme, 'The scheme for the promotion of R&D in the iron and steel sector', has been approved with budgetary provision of US\$ 24.6 million to initiate and implement the provisions of the scheme as per the 11th Five-Year Plan which has continued in the 12th Five Year Plan. The development of technology for Cold-Rolled Grain Oriented (CRGO) steel sheets and other value-added products is also included under the policy purview and is allocated US\$ 6.7 million.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

INDUSTRY STRUCTURE & DEVELOPMENTS

India's crude steel capacity reached 109.85 Million Tonnes (MT) in 2014-15, a growth of 7.4 per cent. Production of crude steel grew by 8.9 per cent to 88.98 MT. Total finished steel production for sale increased by 5.1 per cent to 92.16 MT. Consumption of total finished steel increased 3.9 per cent to 76.99 MT.

India produced 7.34 MT of steel in the month of September 2015, which was nearly equal to the country's steel production in September 2014.

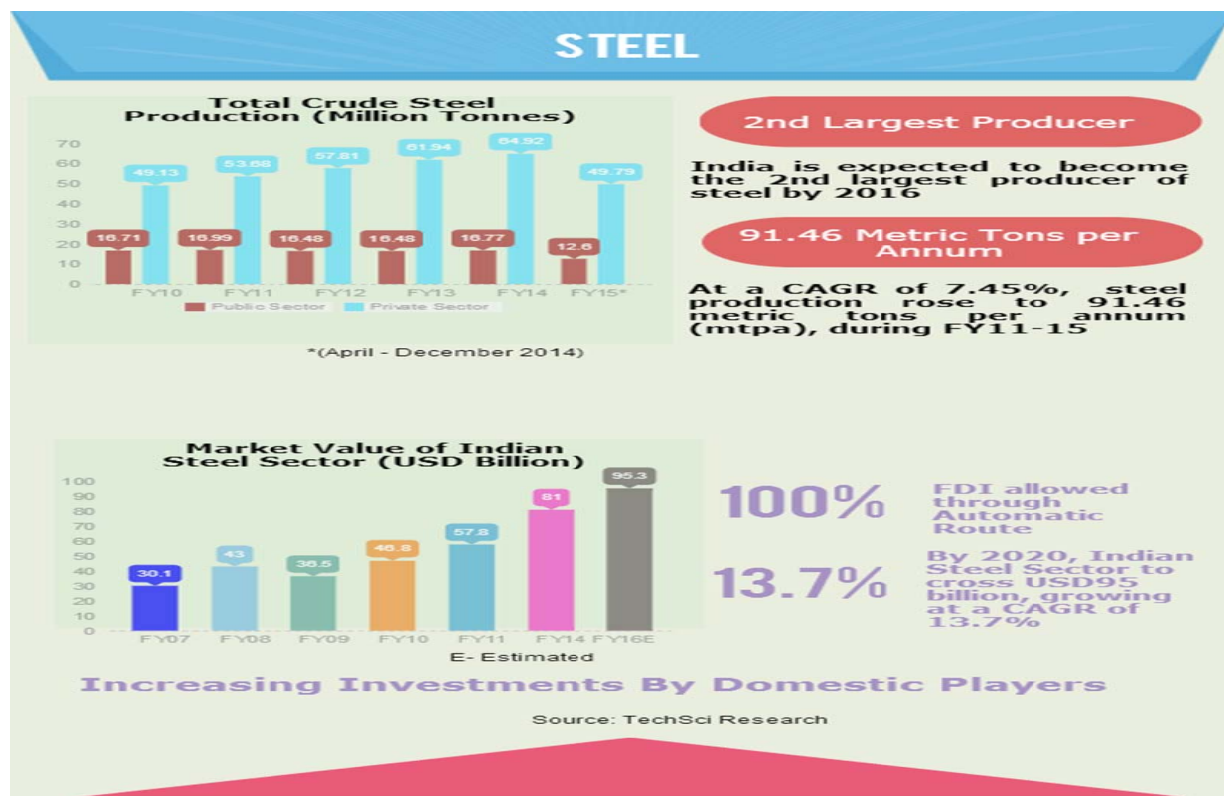
Chandi Steel Industries Limited

The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 59 Kg in 2014-15. India's steel consumption for FY 2015-16 is estimated to increase by 7 per cent, higher than 2 per cent growth last year, due to improving economic activity, as per E&Y's 'Global Steel 2015-16' report.

The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 31.67 million).

OPPORTUNITIES

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

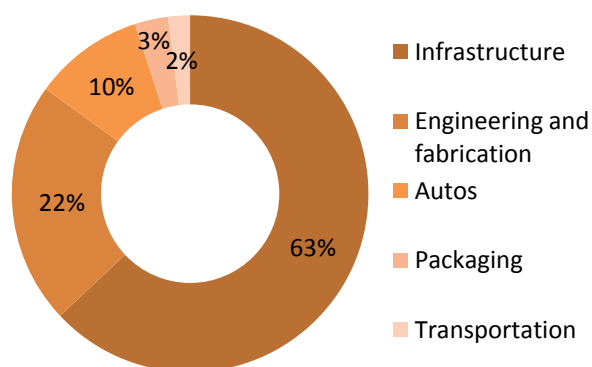


Chandi Steel Industries Limited

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India's status as a major player in the global steel industry is well acknowledged. The fast growing economy has welcomed multiple opportunities for an Industry to develop. The Steel Industry is evolving itself to become a global leader in terms of product quality and overall efficiency. Abundance of raw materials and cheap workforce makes Indian Steel Industry Competitive. The biggest opportunity before Indian steel sector is that there is enormous scope for increasing consumption of steel in almost all sectors in India. Infrastructure has been a key customer in India. Excellent potential exist for enhancing steel consumption in other sectors such as infrastructure, automobiles, packaging, engineering industries, irrigation, railways and water supply in India.

Sector-wise steel consumption



There are many prospects that are helping grow the Indian Steel Industry. However, huge dependence on imported coking coal, low production efficiency, inadequate infrastructure & technology and delay in regulatory clearances & approvals are major hindrance to growth of the industry. Addressing these issues and challenges and building appropriate growth strategies can help attain the objective efficiently.

FINANCIAL PERFORMANCE

During the year under review the Company has earned revenue comprising of sales and other income of Rs. 6,707.74 lacs as compared to 4,749.95 lacs in the previous year registering a growth of 41.21% The Profit before Tax also recorded a growth and reached to 28.33 lacs as against Rs. 14.07 lacs in the previous year. The Net Profit for the year under review was Rs. 10.11 lacs. The Company shall endeavor to constantly improve its performance in the same pace to benefit all its stakeholders.

Chandi Steel Industries Limited

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control is a part of day to day management and administration of your Company. The Company has a proper and adequate system of Internal Control, commensurate with the size, scale and complexity of its operations to ensure orderly and efficient conduct of its operations to ensure orderly and efficient conduct of its business including adherence to corporate policies. Safeguarding of assets, prevention of frauds and errors accuracy and completeness of accounting records and preparation of reliable financial information. The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control environment across your company.

HUMAN RESOURCES

The Company believes in the values of "human resources" and realises its significance in the business success. It realizes that workforce makes a fundamental difference to the organization goals. Without it there can be no clear vision and objectives and its resources full potential will remain woefully untapped. It considers the commitment and competence of the human resource as the levers of the organisation's growth. It aligns the individual goal and organizational goal in order to utilize organizational resources effectively and efficiently.

The Company emphasis on the training and development of its human resource. The company strives to create an environment which helps its people take the initiative to experiment, innovate and develop a passion to set and achieve their goals. The company gives full room to its staff to nurture their intellect, exploit opportunities and make their own decisions while competing with the best, which thereby helps the company in its march towards progress.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and/or expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include, among others, domestic and international economic conditions affecting demand/supply and price conditions, changes in the government regulations, tax regimes and other statutes and other incidental factor.

INDEPENDENT AUDITORS' REPORT

To

The Members of **Chandi Steel Industries Limited**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Chandi Steel Industries Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2016, 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 Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the 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 account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With Respect of the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its statements – Refer Note 23 to the financial statements:
- ii) The Company has made provision, as required under the applicable law or Accounting Standards, for materials foreseeable losses, if any, on long term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Dated: 30th May, 2016



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

Sandeep Agarwal
CA Sandeep Agarwal
(Partner)

Membership No. 065643

“Annexure A” to the Independent Auditor’s Report

The annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information’s.
- (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) The Company had granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the period was ` 3273.12 lacs and the period- end balance in respect of such loan is ` 1632.27 lacs.
- (a) The receipts of the principal amount and interest have been regular.
- (b) 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.
- (c) 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 189 of the Companies Act, 2013
- (d) The Company has taken loans from company covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was ` 3200.00 lacs and yearend balance in respect of such loan is ` 3200.00 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) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rule framed there under.
- (vi) 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 sub-section(1) of section 148 of the Companies Act, 2013, 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.
- (vii) (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 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	Show Cause Notice	16.19	2010-11 to 2014-15	Commissioner Pending for adjournment
Central Excise Act, 1944	CENVAT Credit Disallowed	36.64	2008-09	Commissioner (Appellate)
Central Excise Act, 1944	Irregular Availment of Service Tax Credit	275.60	2009-10, 2010-11 and 2011-12	Appeal Hearing pending before CESTAT Stay Allowed

The West Bengal Value Added Tax Act, 2003	Turnover Enhanced/ITC disallowed/Penalty	593.26	2005-06,2006-07, 2008-09, 2009-10 and 2010-11	West Bengal Appellate and Revision Board.
The Central Sales Tax Act, 1956	Pending Forms	62.40	2005-06,2006-07, 2008-09, 2009-10 and 2010-11	West Bengal Appellate and Revision Board.
Income Tax Act, 1961	U/s. 271(1)(C)	19.98	2009-10	Appeal before CIT(A) Central – II, / Kolkata

(c) In our opinion and according to the information and explanations given to us, and there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly paragraph 3(ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given to us, no materials fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- X(vi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: Kolkata
Dated: 30th May, 2016



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

Sandeep Agarwal
CA Sandeep Agarwal
(Partner)

Membership No. 065643

“Annexure B” to the Independent Auditor’s Report of even date on the Statements of Chandi Steel Industries Limited.

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

We have audited the internal financial controls over financial reporting of Chandi Steel Industries Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

213, Todi Chamber,
2, Lal Bazar Street,
Kolkata 700001

Contact No. 2230-2329,4005-4218
Mail at: rashmico@icai.org

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

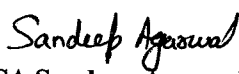
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For and on behalf of
Rashmi & Co.
Chartered Accountants
Firm's registration number: 309122E


CA Sandeep Agarwal
Partner
Membership number: 065643



Place: Kolkata
Date: 30th May, 2016

CHANDI STEEL INDUSTRIES LIMITED
Balance Sheet as at March 31, 2016

			(₹ in lacs)
	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,053.62	1,053.62
Reserves and Surplus	4	470.66	451.50
		<u>1,524.28</u>	<u>1,505.12</u>
Non Current Liabilities			
Long Term Borrowings	5	3,217.92	3,214.52
Deferred Tax Liabilities (Net)	6	112.72	114.41
		<u>3,330.64</u>	<u>3,328.93</u>
Current Liabilities			
Short Term Borrowings	7	969.42	1,189.71
Trade Payables	8	2,680.58	2,865.58
Other Current Liabilities	8	226.19	235.77
Short Term Provisions	9	14.03	13.20
		<u>3,890.22</u>	<u>4,304.26</u>
TOTAL		<u><u>8,745.14</u></u>	<u><u>9,138.31</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	1,334.62	1,353.82
Capital Work in Progress	10	3,625.38	3,625.38
Long Term Loans and Advances	11	20.01	17.91
		<u>4,980.01</u>	<u>4,997.11</u>
Current Assets			
Inventories	12	428.85	1,516.26
Trade Receivables	13	618.47	327.20
Cash and Bank Balances	14	81.42	308.19
Short Term Loans and Advances	11	2,631.08	1,986.50
Other Current Assets	15	5.31	3.05
		<u>3,765.13</u>	<u>4,141.20</u>
TOTAL		<u><u>8,745.14</u></u>	<u><u>9,138.31</u></u>

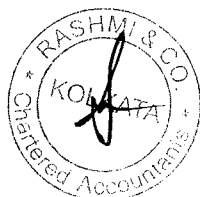
Significant Accounting Policies

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

Sandeep Agarwal
CA Sandeep Agarwal
Partner
Membership No. 065643



For and on behalf of the Board of Directors

Devendra Prasad Jajodia
Devendra Prasad Jajodia
Managing Director
(DIN - 00045166)

Tushar Kanti Sarkar
Tushar Kanti Sarkar
Chief Financial Officer

Seema Chowdhury
Seema Chowdhury
Company Secretary

Place : Kolkata

Date : May 30, 2016

CHANDI STEEL INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

(₹ In lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
INCOME			
Revenue from Operations (Gross)	16	9,129.98	6,707.74
Less: Excise Duty	16	693.39	649.36
Revenue from Operations (Net)		8,436.59	6,058.38
Other Income	17	23.71	24.88
Total Revenue (I)		8,460.30	6,083.26
EXPENSES			
Cost of Materials Consumed	18	5,181.03	4,147.60
Changes in Inventories of Finished Goods	19	373.50	64.92
Employee Benefits Expense	20	124.25	146.16
Finance Costs	21	799.97	562.72
Depreciation	10	81.12	73.43
Other Expenses	22	1,870.69	1,060.10
Total Expenses (II)		8,430.56	6,054.93
Profit before Tax (I-II)		29.74	28.33
Tax Expenses:			
Current Tax Expenses		5.67	5.40
Less : MAT Credit Entitlement		(6.60)	(4.27)
Net Current Tax Expenses		12.27	9.67
Deferred Tax		(1.69)	8.55
Total Tax Expense		10.58	18.22
Profit for the period		19.16	10.11
Earnings per Equity Share:(Nominal Value per Share ₹10)			
Basic & Diluted		0.18	0.10
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

Sandeep Agarwal
CA Sandeep Agarwal
Partner

Membership No. 065643



Devendra Prasad Jajodia
Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

Tushar Kanti Sarkar
Tushar Kanti Sarkar
Chief Financial Officer

Seema Chowdhury
Seema Chowdhury
Company Secretary

Place : Kolkata

Date : May 30, 2016

CHANDI STEEL INDUSTRIES LIMITED
Cash Flow Statement for the year ended March 31, 2016

	(₹ in lacs)	
	2015-16	2014-15
A: Cash Flow From Operating Activities		
Net Profit Before Taxes	29.74	28.33
Adjustments For :		
Depreciation	81.12	73.43
Irrecoverable Debts Written off	0.05	0.19
Liabilities no longer required written back	(2.86)	-
Interest on Term Loans and Others	799.97	562.72
Insurance Claims	(0.44)	-
Prior Period Expenditure (net)	3.58	-
Gain / (Loss) on Foreign Exchange Fluctuations (Net)	(0.10)	(2.30)
Interest Income	(20.31)	(22.58)
Operating Profit Before Working Capital Changes	890.75	639.79
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(291.22)	512.38
Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets	(652.61)	651.30
Decrease / (Increase) in Inventories	1,087.41	(414.21)
(Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions	(202.24)	(746.16)
Cash Generated From Operating Activities	(58.66)	3.31
Direct Taxes paid (net of refunds)	(8.60)	4.70
Net Cash generated from Operating Activities	823.49	647.80
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	(53.71)	(253.02)
Interest received	20.31	39.56
Net Cash Used In Investing Activities	(33.40)	(213.46)
C: Cash Flow From Financing Activities		
Repayment of long / short term Borrowings	(216.89)	166.98
Interest Paid	(799.97)	(562.72)
Net Cash generated from Financing Activities	(1,016.86)	(395.74)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(226.77)	38.60
Cash and Cash Equivalents as at the beginning of the year	308.19	269.59
Cash and Cash Equivalents as at the end of the year	81.42	308.19
Components of cash and cash equivalents		
Cash on hand	3.98	8.97
Cheques in hand	-	25.99
Balance with Scheduled Banks on:		
Current Account	70.69	7.06
Fixed Deposit Account	6.75	266.17
Cash and Bank Balances as per Note 14	81.42	308.19
Less : Fixed deposits not considered as cash equivalents	-	-
Cash and Cash Equivalents in Cash Flow Statement:	81.42	308.19

As per our report of even date

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



Place : Kolkata
 Date : May 30, 2016

For and on behalf of the Board of Directors

Devendra Prasad Jajodia
 Managing Director
 (DIN: 00045166)
Seema Chowdhury
 Company Secretary

Tushar Kanti Sarkar
 Chief Financial Officer

CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

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

1 CORPORATE INFORMATION:-Company engaged in Manufacturing/ Trading of Steel Rolled Products 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, 2013 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 – II to the Companies Act, 2013. No depreciation is provided on Cenvat Credit of Excise Duty on purchase of capital goods.



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

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 completed 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

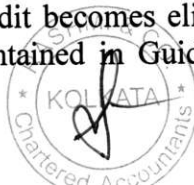
Company's Contribution to Provident Fund is accounted at cost on accrual basis. Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognized as a charge. The provision for gratuity to employee is made as per actuarial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



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

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 RS. 3625.38 lacs has been incurred on the said project till 31/03/2015 which is shown under Capital Work-In-Progress under Notes – 10.

2.15 The said amount of Rs.3625.38 lacs have been claimed by the company from West Bengal Mineral Development in view of the order of Honorable Supreme Court dated 24th September 2014 cancelling the Coal Blocks, including Jagannathpur "A" & "B".



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 3 : Share Capital

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Authorised capital		
12,000,000 (12,000,000) Equity Shares of ₹ 10/- each	<u>1,200.00</u>	<u>1,200.00</u>
Issued, subscribed and fully paid-up capital		
10,540,000 (10,540,000) Equity Shares of ₹ 10/- each	<u>1,054.00</u>	<u>1,054.00</u>
Less: Calls unpaid (Due from other than directors or officers)	<u>0.38</u>	<u>0.38</u>
Total	<u><u>1,053.62</u></u>	<u><u>1,053.62</u></u>

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

	As at March 31, 2016		As at March 31, 2015	
	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	<u>10,540,000</u>	<u>1,053.62</u>	<u>10,540,000</u>	<u>1,053.62</u>

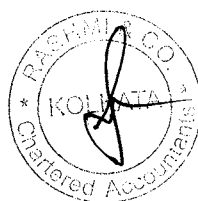
(b) Terms/rights attached to equity shares

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, 2016		As at March 31, 2015	
	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
	<u>3,203,998</u>	<u>30.39</u>	<u>3,203,998</u>	<u>30.39</u>

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



CHANDI STEEL INDUSTRIES LIMITED
Notes to financial statements for the year ended March 31, 2016
Note 4 : Reserves & Surplus

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
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	406.58	397.49
Less: Depreciation adjustment as per Companies Act, 2013 (Net of Deferred Tax ₹ Nil (₹ 0.46 lacs))	-	(1.02)
Add: Profit for the period	19.16	10.11
Surplus in Statement of Profit and Loss	425.74	406.58
Total:	470.66	451.50

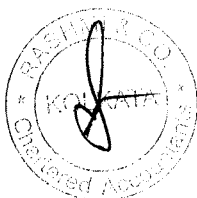
Note 5 : Long Term Borrowings

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Loans and Advances from related Parties(unsecured)	3,200.00	3,200.00	-	-
Deferred Payments Liabilities	17.92	14.52	15.27	10.07
Total:	3,217.92	3,214.52	15.27	10.07

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 ₹ 3,200.00 lacs (₹ 3,200.00 lacs)

Note 6 : Deferred Tax Assets / Liabilities (Net)

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Deferred Tax Asset		
Provision/Expenses allowable in future Under Income Tax Act.	4.26	4.40
Sub Total (B)	4.26	4.40
Deferred Tax Liability		
Timing Difference on Depreciable assets	116.98	118.81
Sub Total (A)	116.98	118.81
Deferred Tax Liabilities (Net) (A-B)	112.72	114.41



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 7 : Short Term Borrowings

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Secured		
Loan Repayable on Demand		
- Cash Credit from Banks	734.83	1,014.54
Unsecured		
Loans & advances from related parties*	234.59	175.17
Total:	969.42	1,189.71

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)

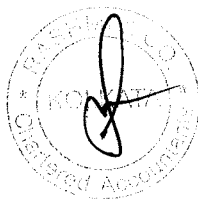
Note 8 : Trade Payables and other Current Liabilities

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Trade Payables	2,680.58	2,865.58
(Refer Note 27 for details due to Micro and Small Enterprises)		
	2,680.58	2,865.58
Current Maturity of Long Term Borrowings (Refer Note 5)	15.27	10.07
Capital Creditors	40.89	33.12
Advance From Customers	89.97	-
Advance From Related Party *	6.32	-
Others		
- Statutory Dues Payable	30.92	71.83
- Excise Duty payable on Closing Stock	33.78	107.35
- Due to Employees	9.04	13.40
	226.19	235.77
Total:	2,906.77	3,101.35

*(Refer Note 32)

Note 9 : Short Term Provisions

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
Gratuity (Refer Note 28)	13.14	10.87
Leave Salary	0.89	2.33
Total:	14.03	13.20



CHANDI STEEL INDUSTRIES LIMITED
Note to financial statements for the year ended March 31, 2016
Note 10 : Tangible Assets.

Particulars	Gross Block			DEPRECIATION				NET BLOCK	
	As at March 31, 2015	Addition	As at March 31, 2016	As at March 31, 2015	For the period	Depreciation in respect of assets whose useful life is over	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
LAND	481.51	-	481.51	-	-	-	-	481.51	481.51
FACTORY SHED & BUILDING	245.12	-	245.12	55.75	6.57	-	62.32	182.80	189.37
PLANT & MACHINERY	679.03	25.97	705.00	328.96	29.01	-	357.97	347.03	350.07
FURNACE	65.65	-	65.65	31.44	2.80	-	34.24	31.41	34.21
FURNITURE	1.30	-	1.30	1.24	-	-	1.24	0.06	0.06
AIR CONDITIONER	2.75	-	2.75	1.33	0.20	-	1.53	1.22	1.42
GENERATOR	7.27	-	7.27	3.18	0.24	-	3.42	3.85	4.09
COMPUTER	4.20	-	4.20	4.13	-	-	4.13	0.07	0.07
FAX MACHINE	0.46	-	0.46	0.43	-	-	0.43	0.03	0.03
FORGING MACHINE	3.91	-	3.91	3.39	0.16	-	3.55	0.36	0.52
STEEL ROLL	632.19	7.42	639.61	625.62	13.97	-	639.59	0.02	6.57
OFFICE EQUIPMENT	1.43	1.07	2.50	1.09	0.20	-	1.29	1.21	0.34
CRANE	24.19	-	24.19	5.66	1.08	-	6.74	17.45	18.53
MOTOR CAR	34.73	27.45	62.18	4.30	7.62	-	11.92	50.26	30.43
ELECTRICAL EQUIPMENT	32.22	-	32.22	13.00	6.58	-	19.58	12.64	19.22
PRODUCER GAS PLANT	289.62	-	289.62	72.23	12.69	-	84.92	204.70	217.39
TOTAL	2,505.58	61.91	2,567.49	1,151.75	81.12	-	1,232.87	1,334.62	1,353.83
Previous Year's Total	2,480.44	25.14	2,505.58	1,076.84	73.43	1.48	1,151.75	1,353.83	1,403.60

CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2016	As at March 31, 2015
Coal Block		
Opening	3,625.38	3,414.78
Addition	-	210.60
TOTAL	3,625.38	3,625.38

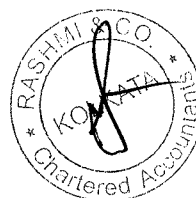


CHANDI STEEL INDUSTRIES LIMITED
Notes to financial statements for the year ended March 31, 2016
Note 11 : Loans and Advances

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good)				
Capital Advances	11.72	11.72	-	-
Security Deposit	8.29	6.19	38.14	61.56
Loans and advances to Related parties				
Loans to Body Corporate (Receivable on demand)*	-	-	1,645.33	948.22
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	-	-	108.69	155.10
Other Loans and advances				
Balance with Excise and other Government Authorities	-	-	815.29	800.15
Advance income tax (Net)	-	-	16.57	7.82
Mat Credit Entitlement	-	-	7.06	13.65
Total:	20.01	17.91	2,631.08	1,986.50
*(Refer Note 32)				

Note 12 : Inventories

	As at March 31, 2016	As at March 31, 2015
Raw Materials	83.15	731.64
[Stock in Transit ₹ 7.61 lacs (Nil lacs)]		
Stores and Spares	51.86	43.70
Finished Goods	281.90	733.15
By Products and Scrap	11.94	7.77
Total:	428.85	1,516.26



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 13 : Trade Receivables

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six month from the date they are due for payment		
Unsecured, considered good	28.32	-
(A)	28.32	-
Other Debts		
Unsecured, considered good	590.15	327.20
(B)	590.15	327.20
Total	(A+B) 618.47	327.20

Note 14 : Cash and Bank Balances

(₹ in lacs)

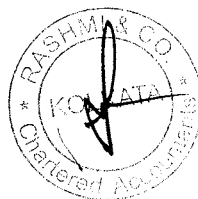
	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents		
Balance with Banks :-		
On Current Accounts	70.69	7.06
Cash on hand	3.98	8.97
Cheques in hand	-	25.99
	74.67	42.02
Other Bank Balances		
Deposits with original maturity for more than 12 Months*	6.75	266.17
Total:	81.42	308.19

* including ₹ 6.75 lacs (₹ 266.17 lacs) pledged with banks and others as margin money against borrowings / other facilities

Note 15 : Other Current Assets

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Duty Drawback Receivable	5.31	3.05
Total:	5.31	3.05



CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 16 : Revenue from Operations

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Sales of products		
Finished Goods	8,700.11	6,487.77
Scraps	337.72	206.57
Other Operating Revenue		
Conversion Charges	10.63	-
Export Incentives	81.52	13.40
Revenue from Operations (Gross)	9,129.98	6,707.74
Less: Excise Duty	693.39	649.36
Revenue from Operations (Net)	8,436.59	6,058.38

Note 17 : Other Income

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Interest on :		
Fixed Deposits with Banks [Gross, Tax deducted at Source ₹ 2.34 lacs (₹ 2.20 lacs)]	20.31	22.58
Liabilities no longer required written back	2.86	-
Insurance Claims	0.44	-
Gain on Foreign Exchange Fluctuations (Net)	0.10	2.30
Total:	23.71	24.88

Note 18 : Cost of Materials Consumed

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Opening Stock	731.64	255.35
Purchases	4,532.54	4,623.89
	5,264.18	4,879.24
Less: Closing Stock	83.15	731.64
Raw Materials Consumed	5,181.03	4,147.60

Consumption of Raw Material :

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Non Alloys Steel (Billet & Ingot)	4,785.59	3,501.46
Alloys Steel (Billet & Ingot)	395.44	646.14
	5,181.03	4,147.60
	(0.00)	



CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016****Note 19 : Changes in Inventories of Finished Goods**

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Opening Stocks :		
Finished Goods	733.15	778.43
Scrap	7.77	15.80
	<u>740.92</u>	<u>794.23</u>
Less:		
Closing Stocks :		
Finished Goods	281.90	733.15
Scrap	11.94	7.77
	<u>293.84</u>	<u>740.92</u>
	<u>447.08</u>	<u>53.31</u>
(Increase) / Decrease in excise duty and cess on stocks	<u>(73.58)</u>	<u>(11.61)</u>
Total	<u>373.50</u>	<u>64.92</u>

Stock of finished goods comprises:

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Opening Stock :		
Non Alloys Steel Round, Bar & Flat	696.83	765.88
Alloys Steels Round, Bar & Flat	36.32	12.55
Non Alloys Steel Scrap	6.23	15.15
Alloys Steel Scrap	1.54	0.65
Total:	<u>740.92</u>	<u>794.23</u>
Closing Stock :		
Non Alloys Steel Round, Bar & Flat	281.52	696.83
Alloys Steels Round, Bar & Flat	0.38	36.32
Non Alloys Steel Scrap	11.26	6.23
Alloys Steel Scrap	0.68	1.54
Total:	<u>293.84</u>	<u>740.92</u>

Note 20 : Employee Benefits Expense

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Salaries, Wages, Bonus & Other Benefits	108.67	104.21
Contribution to Provident Fund & other fund	11.38	11.82
Directors remuneration	4.20	30.13
Total:	<u>124.25</u>	<u>146.16</u>

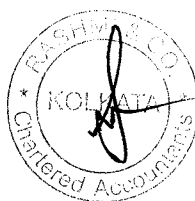


CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016****Note 21 : Finance Costs**

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Interest Expenses		
On Cash Credit	164.10	172.56
On Others [Net of income of ₹ 112.74 lacs (₹ 184.04 lacs)]	597.54	361.63
Finance charges	38.33	28.53
Total:	799.97	562.72

Note 22 : Other Expenses

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Consumption of Stores and Spares	1,102.99	246.97
Labour Charges	14.95	10.47
Power and Fuel	415.82	351.41
Repairs and Maintenance:		
- Plant and Machinery	21.00	25.20
- Others	4.29	2.98
Freight and Transportation	136.26	100.07
Rent and Hire	4.56	5.03
Discount Allowed	12.83	0.81
Rates and Taxes	1.47	1.36
Insurance	11.87	6.46
Advertisement	1.04	1.07
Brokerage and Commission	11.15	222.32
Travelling and Conveyance	30.34	16.01
Printing & Stationery	0.40	0.38
Telephone and Postage	0.81	0.79
Legal and Professional Charges	8.17	12.89
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	0.05	0.19
Charity and Donations	0.21	0.45
Security and Service Charges	11.50	11.88
Miscellaneous Expenses	76.69	42.65
Prior period expenses	3.58	-
Total:	1,870.69	1,060.10



CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016****Note 23: CONTINGENT LIABILITIES NOT PROVIDED FOR**

	<u>2015-2016</u> <u>Rs. lacs.</u>	<u>2014-2015</u> <u>Rs. /lacs.</u>
a) Corporate Guarantee given by way of collateral Security in favour of a group company	5427.00	5427.00
b) Sales Tax & Excise Duty matters under dispute/appeal	1004.07	987.88
c) Bank Guarantees outstanding	44.22	1527.32

Note 24: CAPITAL COMMITMENT

Total Capital Commitment outstanding at the year ended 31st March 2016 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
(` in lacs)

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	Deferred Tax Liabilities/(Assets)	Deferred Tax Liabilities/(Assets)
Deferred Tax Liability		
Timing difference on depreciable asset	116.98	118.81
	116.98	118.81
Deferred Tax Assets		
Provision/Expenses allowable in future under Income Tax Act.	3.07	4.40
	3.07	4.40
Net Deferred Tax Liabilities /(Asset)	113.91	114.41
<u>Less: Provided till last year</u>	114.41	106.32
Increased in Deferred Tax Liability/(Assets)	(0.50)	8.09

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

Particulars		31.03.2016	31.03.2015
Profit After Tax (Rs)	Rs. in lacs	20.32	10.11
Weighted average number of equity share	Number	10,535,000	10,535,000
Basic/Diluted Earning per Share	In Rupees	0.19	0.10



CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016****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 31.03.2016.

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.

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 March 2016:**(₹ in lacs)**

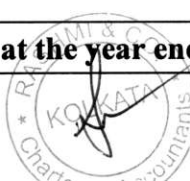
Particulars	2015-16	2014-15
Current service cost	3.13	2.95
Interest cost on benefit obligation	2.24	2.10
Expected return on plan assets	(1.67)	(1.52)
Net actuarial loss / (gain) recognized in the year	0.08	1.59
Total Expenses / (Income)	3.77	5.12

II. Net Liability / (Assets) recognized in the Balance Sheet as at 31st March 2016:**(₹ in lacs)**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Present value of Defined Benefits Obligation	33.45	29.19
Fair value of plan assets	20.32	18.32
Net Assets /(liability)	(13.14)	(10.87)

III. Change in the present value of the defined benefit obligation during the year ended 31st March 2016:**(₹ in lacs)**

Particulars	2015-16	2014-15
Present Value of Defined Benefit Obligation at the beginning of the year	29.19	22.92
Current Service Cost	3.13	2.95
Interest Cost	2.24	2.10
Actuarial Loss / (Gain)	(0.05)	1.58
Benefit Payments	(1.05)	(0.37)
Present Value of Defined Benefits Obligation at the year end	33.46	29.19



CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016****IV. Change in the Fair Value of Plan Assets during the year ended 31st Mar 2016:****(₹ in lacs)**

Particulars	2015-16	2014-15
Fair Value of Plan Assets at the beginning of the year	18.31	17.10
Expected Return on Plan Asset	1.67	1.53
Contribution by Employer	1.50	0.59
Actuarial Gains/ (Losses)	(.12)	0.00
Benefit Payments	(1.05)	(0.37)
Fair Value of Plan Assets at the year end	20.31	18.31

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

Particulars	2015-16	2014-15
Investment with the insurer	100.00%	100.00%

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

Particulars	2015-16	2014-15
Discount Rate	7.90%	7.80%
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.	Indian Assured Life Mortality (2006-08) (Modified)Ult.

VII. Amounts for the current and previous year are as follows:***(₹ in lacs)**

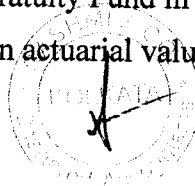
Particulars	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	33.46	29.19
Plan Assets	20.32	18.32
Surplus / (Deficit)	(13.14)	(10.87)
Experience Gain/ (Loss) Adjustments on plan liabilities	(0.28)	2.27
Experience Gain/ (Loss) Adjustments on plan assets	(.12)	0.00
Actuarial Gain / (Loss) due to change on assumptions	33.00	(3.86)

* 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 ₹ 13.14 lacs to Gratuity Fund in 2016-17.

ii. The estimates of future salary increases, considered in actuarial valuation, take account of inflation,



CHANDI STEEL INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2016**

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 ` 4.44 lacs (for 2013-14 ` 4.54 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	2015-16	2014-15
RAW MATERIAL	5181.03	4147.60
STORES & SPARES	1102.99	246.97

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.

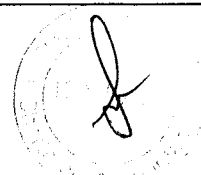
Note 32: RELATED PARTY TRANSACTIONS (AS – 18)

(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 Pvt. Ltd.	Associates
Nilachal Iron & Power Ltd.	Associates
Sri Devendra Prasad Jajodia	KMP*
Sri Vijay Singh	KMP*
Smt Seema Chowdhury	KMP*

*KMP = Key Managerial Person



CHANDI STEEL INDUSTRIES LIMITED
Balance Sheet as at March 31, 2016

(C) Related Parties Transactions:

(` in lacs)

Relation	Purchases	Sales	Interest Received	Interest Paid	Balance Payable	Balance Receivable	Corporate Guarantee (Given)/Taken	Salary / Managerial Remuneratio	Rent Paid
Associates									
Jai Balaji Industries Limited	7.11 (84.74)	146.28 (504.62)	-	249.48 (275.35)	1,613.78 (2,122.63)	-	(900.00) (2,530.00)	-	-
Jai Salasar Balaji Industries (P) Ltd.	1,691.21 (2,991.62)	274.79 (181.23)	112.74 (179.18)	-	-	1,632.28 (945.63)	-	-	-
Balaji Ispat Udyog	-	4.40 (2.30)	-	8.13 (1.63)	-	-	-	-	-
Jai Balaji Jyoti Steels Ltd.	-	-	-	440.00 (433.82)	3,434.59 (3,375.17)	-	-	-	-
Jai Balaji Infotech Pvt. Ltd.	-	-	-	-	-	13.05 (2.59)	-	-	-
Nilachal Iron & Power Ltd.	-	-	-	-	-	-	5,427.00 5,427.00	-	-
Key Managerial Person									
Devendra Prasad Jajodia	-	-	-	-	-	-	-	4.20 (36.00)	-
Vijay Singh	-	-	-	-	-	-	-	2.30 (2.07)	-
Seema Chowdhury	-	-	-	-	-	-	-	5.50 (2.05)	-

Note:- Out of above Interest ` Nil (178.26 lacs) and Remuneration charges ` Nil (7.20 lacs) has been transfer to Capital Work in Progress.

CHANDI STEEL INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2016

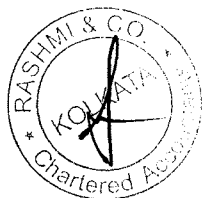
Note 33: Earnings in foreign currency transactions for the year
F.O.B Value of Exports ₹. 2729.41 lacs (₹ 733.11 lacs).

Note 34: Details of Borrowing cost Capitalized
Borrowing cost capitalized during the year Rs ₹ Nil lacs (₹ 178.26 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 III of the Companies Act, 2013.

In terms of our report of even date

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



Sandeep Agarwal
CA Sandeep Agarwal
Partner
Membership No. 065643
Place: Kolkata
Dated: May 30, 2016

For and on behalf of the Board of Directors

Devendra Prasad Jajodia
Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

Tushar Kanti Sarkar
Tushar Kanti Sarkar
Chief Financial Officer

Seema Chowdhury
Seema Chowdhury
Company Secretary