

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **NOTICE TO THE SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the Thirty Ninth Annual General Meeting of the Members of Chandi Steel Industries Limited will be held on Saturday, 23<sup>rd</sup> September, 2017 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 31<sup>st</sup> March, 2017 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, M/s. B Y Jatania & Co., Chartered Accountants (Firm Registration No. 311010E), of 9/12 Lal Bazar Street, Mercantile Building, Block C, 2<sup>nd</sup> Floor, 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 44th Annual General Meeting, (subject to ratification of their appointment at every 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 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 12<sup>th</sup> August, 2017 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 2017-18, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby ratified.”

#### **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 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

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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
Nilachal Iron & Power Limited (NIPL)	NIPL is a Public Company in which Relative of Director is a Director	Corporate Guarantee Given /Taken	100

**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;

**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.”

### Item No.6

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 provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and the recommendations of the Nomination and Remuneration Committee and subject to the approval of such authorities as may be required, consent of the Company be and is hereby accorded for continuation of Shri Devendra Prasad Jajodia (DIN:00045166) as Executive Managing Director of the Company, who will be attaining the age of 70 (Seventy) years on 1st June, 2018, on the existing terms and conditions as mentioned in the agreement dated 11th August,

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2012 duly approved by the shareholders through an special resolution passed at the Annual General Meeting held on 29th September, 2012 and on the revised terms as approved by Board at its meeting held on 30th April, 2015.”

“**RESOLVED FURTHER THAT** the Board be an is hereby authorised to alter or vary the terms and conditions of his appointment including the remuneration thereof, to the extent recommended by the nomination and remuneration committee from time to time and as may be considered beneficial in the interest of the Company and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose.”Registered Office:

By Order of the Board  
3, Bentinck Street,  
Kolkata – 700 001

For **Chandi Steel Industries Limited**

Place: Kolkata  
Date: 12<sup>th</sup> August, 2017

Sd/-  
**Seema Chowdhury**  
Company Secretary

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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. 4 to 6 to be transacted at the Thirty-Ninth 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 Monday, 18<sup>th</sup> September, 2017 to Saturday, 23<sup>rd</sup> September, 2017 (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 authorized 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/ proxies / authorized representatives should bring the duly filled attendance slip to attend the meeting.
6. The Annual Report of the Company for the Financial Year 2016-17, circulated to the members of the Company, is also uploaded on the Company's website "www.jaibalajigroup.com".
7. 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, 23, R.N, Mukherjee Road, 5<sup>th</sup> Floor, 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

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demat account(s) dormant for long. Periodic statement of holding should be obtained from Depository Participant and holding should be verified.

8. 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, 23, R.N, Mukherjee Road, 5<sup>th</sup> Floor, Kolkata – 700 001, enclosing their share certificates to enable the Company to consolidate their holdings into single folio.
9. 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 23, R.N, Mukherjee Road, 5<sup>th</sup> Floor, 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)
10. Members are requested to quote the Folio/Client ID & DP ID Nos. in all correspondences.
11. Electronic copy of the Annual Report for the financial year 2016-17 and the Notice of the Thirty Ninth 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 Ninth 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 Ninth 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 2016-17 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.
12. 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.
13. 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

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interested under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.

14. 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.
15. 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, 23, R.N, Mukherjee Road, 5<sup>th</sup> Floor, Kolkata – 700 001.
16. 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.
17. 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.
18. 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 Wednesday, 20<sup>th</sup> September, 2017

End of e-voting: up to 5:00 p.m. on Friday, 22<sup>nd</sup> September, 2017

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. Saturday, 16<sup>th</sup> September, 2017 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. **Saturday, 16<sup>th</sup> September, 2017**, 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.

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- 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.
- 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 **Saturday, 16<sup>th</sup> September, 2017**.
- 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. Premrata Soni, Practising Company Secretary, (Membership No. FCS: 4385), having its registered office at 55, Ezra Street, 2<sup>nd</sup> 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 : 12<sup>th</sup> August, 2017

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

Sd/-  
**Seema Chowdhury**  
Company Secretary

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### Annexure to the Notice

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

#### **Item No. 4**

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2017, 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 Audit Report and all such reports, annexures, records, documents etc., for the financial year 2017-18, 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 2017 -18.

The Board of Directors, therefore, recommend the Resolution under item no. 4 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. 5**

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.

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:

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 of JSBIPL.



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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, BIU.
Nilachal Iron & Power Limited (NIPL)	Shri Sanjiv Jajodia	Shri Sanjiv Jajodia, Brother of Shri Devendra Prasad Jajodia, Managing Director of Chandi Steel Industries Limited is a Director of NIPL.

- 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. 5 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.

### **Item No. 6**

As per the requirement of the Schedule V Part I (c) of the Companies Act, 2013 if a managing or Whole Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting. Shri Devendra Prasad Jajodia, (DIN: 00045166) will attain the age of 70 years 1<sup>st</sup> June, 2018. The Directors of the Company in their meeting held on 12<sup>th</sup> August, 2017 have approved his continuation as Managing Director of the Company.

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

Except Shri Devendra Prasad Jajodia, 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.

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

Place : Kolkata  
Date : 12<sup>th</sup> August, 2017

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

Sd/-  
**Seema Chowdhury**  
Company Secretary

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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 Ninth Annual General Meeting

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

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### 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 PAN/ Sequence No. for e-voting.

ii) Log on to the e-voting website [www.evotingindia.com](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>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)</p> <ul style="list-style-type: none"><li>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.</li><li>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. e.g: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"><li>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).</li></ul>

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

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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 e-Voting and voted on [www.evotingindia.com](http://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.

- 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) Repeat the voting process for all the resolutions on which you intend to vote.
- xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xx) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi) 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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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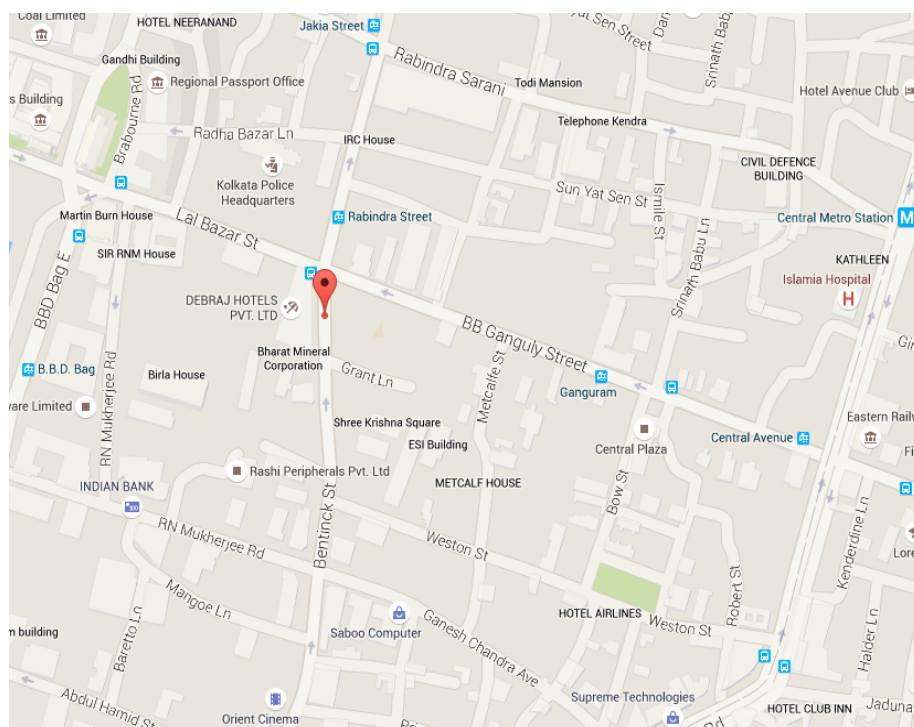
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **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 Sr. No. (xix) above, to cast your vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Or can contact at CDSL helpdesk: 18002005533

### **Route Map to the AGM Venue**



3, Bentinck Street,  
Kolkata – 700 001

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **DIRECTORS' REPORT**

*Dear Members*

Your Directors take pleasure in presenting the Thirty Ninth Annual Report along with the summary of the Audited Financial Statement of your Company for the financial year ended 31<sup>st</sup> March, 2017.

### **FINANCIAL RESULTS**

(₹ in Lacs)

Particulars	Financial Year ended 31 <sup>st</sup> March, 2017	Financial Year ended 31 <sup>st</sup> March, 2016
<b>Revenue from Operations (Net) and Other Income</b>	<b>9,143.90</b>	<b>8,460.30</b>
Less: Total Expenses	9,112.84	8,430.56
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>	<b>31.06</b>	<b>29.74</b>
Less: Exceptional items	-	-
<b>Profit/(Loss) before extraordinary items and tax</b>	<b>31.06</b>	<b>29.74</b>
Less: Extraordinary items	-	-
<b>Profit before Tax (PBT)</b>	<b>31.06</b>	<b>29.74</b>
Less: Current Tax Expenses (Net)	14.12	12.27
Deferred Tax	(4.04)	(1.69)
Total Tax Expense	10.08	10.58
<b>Profit after Tax (PAT)</b>	<b>20.98</b>	<b>19.16</b>
<b>Earnings per share (excluding extraordinary items) (of Rs. 10/- each)</b>		
Basic and Diluted	0.20	0.18

### **FINANCIAL PERFORMANCE AND STATE OF COMPANY AFFAIRS**

The net revenue from operations and other income stands at Rs. 9,143.90 lacs in 2016-17 in comparison to Rs. 8,460.30 lacs in 2015-16 and showed a growth of 8.08%. The Profit before Tax (PBT) for the year increased to Rs. 31.06 lacs as compared to Rs. 29.74 lacs in the previous year. The net profit of your Company for the year 2016-17 has been positively impacted on account of saleable steel production i.e. Rs. 20.98 lacs as compared to Rs. 19.16 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 Rs. 20.98 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 2016-17.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **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 at its meeting held on 13<sup>th</sup> November, 2015, based on the recommendation of the Nomination and Remuneration Committee, had appointed Smt. Swati Agarwal (DIN : 07158355) as Additional Director and the shareholders in their Annual General Meeting held on 30<sup>th</sup> September, 2016 has approved his appointment as 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 13<sup>th</sup> November, 2015.

During the period under review, the Board of Directors of your Company at its meeting held on 1<sup>st</sup> September, 2016, had appointed Shri Ashok Kumar Choudhary (DIN: 07603658) as Additional Director of the Company and the shareholders at their Annual General Meeting held on 30<sup>th</sup> September, 2016 had approved his appointment as 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 1<sup>st</sup> September, 2016. Further, the Board had also appointed Shri Sumit Kumar Rakshit (DIN: 07603642) as Additional Director of the Company at their meeting held on 1<sup>st</sup> September, 2016 and the shareholders at their Annual General Meeting held on 30<sup>th</sup> September, 2016 had approved his appointment as 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 1<sup>st</sup> September, 2016.

#### ***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***

Pursuant to Section 168 of the Companies Act, 2013 Shri Vishal Bagri (DIN: 00078949) Independent Director of the Company resigned from the post of directorship of the Company w.e.f 15<sup>th</sup> April, 2016. Your Directors would like to record the appreciation of the Shri Vishal Bagri for the services rendered by him during his tenure in the Company.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### ***Key Managerial Personnel (KMP)***

Shri Vijay Singh resigned from the Post of Chief Financial Officer w.e.f 24<sup>th</sup> 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 24<sup>th</sup> 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 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 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 following weblinks respectively:

“<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**

Your Company understands the requirements of an effective Board Evaluation process and accordingly during the year under review, they have carried out performance evaluation of Board's own performance, the directors individually and the evaluation of the working of its Committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which evaluation has been carried out is explained in the Corporate Governance Report attached as Annexure to this 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-16-17.pdf>”.

### **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](http://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 contracts/arrangements/transactions entered into with Related Parties during the financial year 2016 -17 as defined under the



# Chandi Steel Industries Limited

## Annual Report 2016-17

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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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange have been sought vide special resolution passed at the last Annual General Meeting of the Company held on 30<sup>th</sup> September, 2016. Further pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members is sought to be taken at 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 30<sup>th</sup> May, 2016 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 and 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.

### **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 an integral part of this Report.

### **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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2016-17, 11 (Eleven) 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 15<sup>th</sup> April, 2016; 24<sup>th</sup> May, 2016; 30<sup>th</sup> May, 2016; 11<sup>th</sup> August, 2016; 1<sup>st</sup> September, 2016; 3<sup>rd</sup> September, 2016; 21<sup>st</sup> September, 2016; 6<sup>th</sup> October, 2016; 9<sup>th</sup> November, 2016; 15<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.

The detail and the number of board meetings attended by each Director during the financial year 2016-17 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. The Board periodically evaluates the performance of all committees as a whole. Further, composition of the various committees of the Board is

# Chandi Steel Industries Limited

## Annual Report 2016-17

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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 31<sup>st</sup> March, 2017, the Audit Committee comprises of Smt. Swati Agarwal (Non-Executive Independent Director), the Chairman of the Committee, Shri Devendra Prasad Jajodia (Executive Director) and Shri Ashok Kumar Choudhary (Non-Executive Independent Director). The Board has accepted all recommendations made by the Audit Committee during the year.

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](http://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 2016-17, there has been no such instances. Further, there has been no change to the whistle blower policy during the financial year.

### 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017, have been prepared on a going concern basis;
- 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.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **RISK MANGEMENT**

Your Company is exposed to inherent uncertainties owing to the sectors in which it operates and the Company has a framework in line with risk management process of identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of the Company. Your Company has been periodically assessing the key risks areas which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. The risk management framework is interwoven with strategic planning, deployment and capital project process of the Company. The process aims to analyse the internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities for business success.

The Board of Directors of your Company has approved and adopted a Risk Management Policy of the Company. The policy contains a detailed framework of risk assessment by evaluating the probable threats taking into consideration the business line of the Company, monitoring the risks so assessed and managing them well within time so as to avoid hindrance in its growth objectives that might in any way threaten the existence of your Company. The said policy is also available on the website of the Company “[www.jaibalajigroup.com](http://www.jaibalajigroup.com)” under the weblink “<http://www.jaibalajigroup.com/chandi-steel/risk-management-policy.pdf>”.

### **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 have 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 Committee 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 Statutory Auditors of your Company in the last Annual General Meeting held on 30<sup>th</sup> September, 2016 retire at the conclusion of the ensuing Annual General Meeting, not being eligible for re-appointment as per Section 139 of the Companies Act, 2013. Your Company has decided to appoint M/s. B Y Jatania & Co., Chartered Accountants (Firm Registration No. 311010E) and has received a confirmation from them that their appointment will be within the criteria provided under Sections 139 and 141 of the Companies Act, 2013. The Audit Committee and the Board of Directors of your Company recommend the appointment of M/s. B Y Jatania & Co., Chartered Accountants (Firm Registration No. 311010E), Chartered Accountants, as the Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of the ensuing Annual General meeting until the conclusion of the 44<sup>th</sup> Annual General Meeting subject to ratification of shareholders at every subsequent Annual General Meeting, on such remuneration as may be fixed subsequently by the Board of Directors.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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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 2017-18 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 2015-16 with the Registrar of Companies, Ministry of Corporate Affairs in the prescribed form.

### ***Internal Auditor***

In line with the requirements of Section 138 of the Companies Act, 2013 and rules made there under M/s. D. Sikaria & Co., Chartered Accountants of 112, Chittaranjan Avenue, 3<sup>rd</sup> Floor, Kolkata - 700 073, were appointed as the Internal Auditor at the meeting of the Board of Directors held on 29<sup>th</sup> May, 2017 for the Financial Year 2017-18 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 (ACS:14611), 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.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **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 31<sup>st</sup> March, 2017. 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**

The Company is committed to observing good corporate governance practices. In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”), a Report on Corporate Governance along with Compliance Certificate and Management Discussion and Analysis are annexed to this report and forms integral part of this 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

# **Chandi Steel Industries Limited**

## **Annual Report 2016-17**

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### **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: 12<sup>th</sup> August, 2017**

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

# Chandi Steel Industries Limited

## Annual Report 2016-17

### 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 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 Rajiv Jajodia & Shri Gourav Jajodia are relatives of Shri Devendra Prasad Jajodia who along with their relatives hold 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	30.05.2016	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	30.05.2016	Nil

# *Chandi Steel Industries Limited*

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### **“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;
- Devising a policy on diversity of board of directors;



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- 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*

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- 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.

- 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;

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### **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.

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2017**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
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 9808 Fax: (91) (33) 2243 0021 Email: chandisteelindustries@gmail.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 23 R. N Mukherjee Road, 5th Floor, Kolkata - 700 001 Phone: (91) (33) 2243 5029 / 5809 Email: mdpldc@yahoo.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
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	97.06%

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

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

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-2016]				No of Shares held at the end of the year [As on 31-March-2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total(B)(1):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Non-Institutions</b>									
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									
<b>Sub-total(B)(2):-</b>	5,291,102	208,200	5,499,302	52.18	5,291,102	208,200	5,499,302	52.18	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	5,291,102	208,200	5,499,302	52.18	5,291,102	208,200	5,499,302	52.18	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>10,331,800</b>	<b>208,200</b>	<b>10,540,000</b>	<b>100.00</b>	<b>10,331,800</b>	<b>208,200</b>	<b>10,540,000</b>	<b>100.00</b>	<b>0.00</b>

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year as on 01.04.2016			Shareholding at the end of the Year as on 31.03.2017			% 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	SHRI SANJIV JAJODIA	1,447,498	13.73	0.00	1,447,498	13.73	0.00	0.00
2	SHRI GAURAV JAJODIA	600,000	5.69	0.00	600,000	5.69	0.00	0.00
3	SMT. SANGEETA JAJODIA	600,000	5.69	0.00	600,000	5.69	0.00	0.00
4	SHRI AASHISH JAJODIA	556,500	5.28	0.00	556,500	5.28	0.00	0.00
5	SMT. KANCHAN JAJODIA	511,500	4.85	0.00	511,500	4.85	0.00	0.00
6	SHRI ADITYA JAJODIA	454,500	4.31	0.00	454,500	4.31	0.00	0.00
7	SHRI RAJIV JAJODIA	423,000	4.01	0.00	423,000	4.01	0.00	0.00
8	SHRI DEVENDRA PRASAD JAJODIA	300,000	2.85	0.00	300,000	2.85	0.00	0.00
9	SMT. 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 KESHVINANDAN TRADE PRIVATE LIMITED	300	0.00	0.00	300	0.00	0.00	0.00
	<b>Total</b>	<b>5,040,698</b>	<b>47.82</b>	<b>0.00</b>	<b>5,040,698</b>	<b>47.82</b>	<b>0.00</b>	<b>0.00</b>

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

[illegible]

## (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 [1st April, 2016]		Change during the year			Cumulative Shareholding during the year [1st April, 2016 to 31st March, 2017]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
<b>1</b>	<b>UMANG WEBTECH PRIVATE LIMITED</b>							
	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
<b>2</b>	<b>NAYAN IMPEX PRIVATE LIMITED</b>							
	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
<b>3</b>	<b>BHAVSAGAR VYAPAAR PRIVATE LIMITED</b>							
	At the beginning of the year	507,300	4.81					
				31.03.2017	Transfer	(8,000)		
	At the end of the year						499,300	4.74
<b>4</b>	<b>HORA VANIJYA PRIVATE LIMITED</b>							
	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
<b>5</b>	<b>KANAD EXIM LTD.</b>							
	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
<b>6</b>	<b>SNAPSHOT DISTRIBUTORS PVT. LTD. *</b>							
	At the beginning of the year	-	0.00					
				31.03.2017	Transfer	437,800		
	At the End of the year						437,800	4.15
<b>7</b>	<b>DARSHAN BARTER PRIVATE LIMITED</b>							
	At the beginning of the year	482,500	4.58					
				31.03.2017	Transfer	(100,000)		
	At the End of the year						382,500	3.63
<b>8</b>	<b>MARUTI STOCKFIN PVT. LTD</b>							
	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
<b>9</b>	<b>VATSALYA DEALERS PVT. LTD</b>							
	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
<b>10</b>	<b>HARSH SECURITIES PRIVATE LIMITED</b>							
	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
<b>11</b>	<b>INDUS LIFE ADVISORY &amp; BROKING PRIVATE LIMITED #</b>							
	At the beginning of the year	429,800	4.08					
				31.03.2017	Transfer	(429,800)		
	At the End of the year						-	-
<b>NOTE:</b>								

\* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the Year [1st April, 2016]		Change during the year			Cumulative Shareholding during the year [1st April, 2016 to 31st March, 2017]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	<b>Devendra Prasad Jajodia (Managing Director)</b>							
	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	<b>Shri Vishal Bagri (Non-Executive Independent Director)##</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
3	<b>Ms. Swati Agarwal (Non-Executive Independent Director)</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
4	<b>Shri Susanta Sarkar (Executive Director)</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
5	<b>Shri Sumit Kumar Rakshit (Non-Executive Independent Director)*</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
6	<b>Shri Ashok Kumar Choudhury (Non-Executive Independent Director)*</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
7	<b>Smt. Seema Chowdhury (KMP, being Company Secretary)</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
8	<b>Shri Vijay Singh (KMP, being Chief Financial Officer)#</b>							
	At the beginning of the year	0	0.00					
	At the End of the year				Nil movement during the year		0	0.00
9	<b>Shri Tushar Kanti Sarkar (KMP, being Chief Financial Officer)**</b>							
	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 01.09.2016

\*\* Appointed w.e.f. 24.05.2016

# Resigned w.e.f 24.05.2016

##Resigned w.e.f. 15.04.2016

## V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (as on 01.04.2016)</b>				
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	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>73,482,661.96</b>	<b>346,777,763.33</b>	<b>-</b>	<b>420,260,425.29</b>
<b>Change in Indebtedness during the financial year</b>				
1. Addition	-	-	-	-
2. Reduction	(1,676,143.86)	(24,756,992.72)	-	(26,433,136.58)
<b>Net Change</b>	<b>1,676,143.86</b>	<b>24,756,992.72</b>	<b>-</b>	<b>26,433,136.58</b>
<b>Indebtedness at the end of the financial year (as on 31.03.2017)</b>				
i) Principal Amount	75,158,805.82	371,534,756.05	-	446,693,561.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>75,158,805.82</b>	<b>371,534,756.05</b>	<b>-</b>	<b>446,693,561.87</b>

## 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/ Shri Devendra Prasad Jajodia (Managing Director) Shri Susanta Sarkar (Professional Executive Director)		Total Amount
1	Gross salary	420,000	159,840	579,840
	(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	-	-	-
	Commision as % of profit	-	-	-
4	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>420,000</b>	<b>159,840</b>	<b>579,840</b>
	Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013		

**B. Remuneration to Other Directors:**

I.	Independent Directors:					
	Particulars of Remuneration	Name of Directors				Total Amount (In Rs.)
		Shri Vishal Bagri	Ms. Swati Agarwal	Shri Sumit Kumar Rakshit	Shri Ashok Kumar Choudhury	
1	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
2	Commission					
3	Others, please specify					
	Total (1)					

(in Rs)

II. Other Non-Executive/ Nominee Directors		
		There were no Other Non-Executive/Nominee Directors in the Company during the year 2016-17
1	Fee for attending board / committee meetings	
2	Commission	
3	Others, please specify	
	Total (2)	
	<b>Total (B)=(1+2)</b>	
	Total Managerial Remuneration (A+B)	
	Overall Ceiling as per the Act	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**  
(In Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Smt. Seema Chowdhury (Company Secretary)	Shri Tushar Kanti Sarkar (CFO)	Total
1	Gross salary	671,700	332,940	1,004,640
	(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	-	-	-
4	Commision	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>671,700</b>	<b>332,940</b>	<b>1,004,640</b>

## 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					

# Chandi Steel Industries Limited

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### “Annexure E”

**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 31<sup>ST</sup> MARCH, 2017:**

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#### **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	2016-17	2015-16
Inflows	2,400.71	2,729.41
Outgo	Nil	Nil

# Chandi Steel Industries Limited

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“Annexure F”

**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 31<sup>ST</sup> MARCH, 2017**

**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	1,14,144	3.68 times
2.	Shri Susanta Sarkar	1,59,840		1.40 times
3.	Shri Vishal Bagri**	0		0
4.	Shri Ashok Kumar Choudhary*	0		0
5.	Shri Sumit Kumar Rakshit*	0		0
6.	Smt. Swati Agarwal	0		0

\*Appointed w.e.f 1<sup>st</sup> September, 2016

\*\* Resigned w.e.f 15<sup>th</sup> April, 2016

**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 no increase in the remuneration of any Director, Chief Financial Officer, Managing Director in the financial year 2016-17. The remuneration of the Company Secretary has been increased by 22.13% in the financial year under review.

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

Median remuneration of employees in the financial year has been increased by 0.08%.

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

There were 61 employees on the rolls of the Company as on 31<sup>st</sup> March, 2017.

**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:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 12.60% whereas average increase in the managerial remuneration was 5.53%. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.

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 the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

In accordance with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the details of compliance by the Company with the norms on Corporate Governance are as under:

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on corporate governance is founded upon and structured on principles and practices that predicate dealings with stakeholders based on fairness, transparency and ethical behavior. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders.

#### **2. BOARD OF DIRECTORS**

The Board of Directors of the Company is duly constituted under the Chairmanship of Shri Devendra Prasad Jajodia, a Promoter Executive Director. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that where the chairperson of the board is not a regular non-executive director, at least half of the board shall comprise of independent directors.

##### **■ Composition and Category of Directors**

As on 31<sup>st</sup> March, 2017, the Board consists of 5 directors, comprising of:

- 1 Promoter Executive Directors
- 1 Executive Director and
- 3 Independent Non-Executive Directors

The detailed composition of the Board as on 31<sup>st</sup> March, 2017 is tabled below:

Name of Directors	Category
Shri Devendra Prasad Jajodia	Promoter Executive Director (Chairman & Managing Director)
Shri Susanta Sarkar	Professional Executive Director
Ms. Swati Agarwal	Non-Executive Independent Director
Shri Ashok Kumar Choudhary	Non-Executive Independent Director
Shri Sumit Kumar Rakshit	Non-Executive Independent Director

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Shri Vishal Bagri resigned from the post of Directorship of the Company w.e.f 15<sup>th</sup> April, 2016.

Shri Sumit Kumar Rakshit (DIN: 07603642) was appointed as an additional director (Category: Non-Executive Independent) of the Company w.e.f. 1<sup>st</sup> September, 2016 as per 149, 152 read with schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, his appointment was subsequently regularised as Director of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2016.

Shri Ashok Kumar Choudhary (DIN: 07603658) was also appointed as an additional director (Category: Non-Executive Independent) of the Company w.e.f. 1<sup>st</sup> September, 2016 as per 149, 152 read with schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, his appointment was subsequently regularised as Director of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2016.

None of the Independent Directors of the Company do not participate in the day-to-day functioning of the Company nor do they engage in any business dealing or other relationships with the group (other than in situations permitted by the applicable regulations) in order to act in the best interest of the stakeholders with independent decisions.

Appointment Letter of the present Independent Directors setting out their terms and conditions, roles, functions, duties and responsibility of appointment as per the provisions of Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been hosted on the Company's Website under the weblink "[http://www.jaibalajigroup.com/chandi\\_steel\\_industries\\_limited.html](http://www.jaibalajigroup.com/chandi_steel_industries_limited.html)" in adherence to Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per declarations received by the Company, none of the independent directors/non-promoter directors are related to each other or to the promoters.

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

The notice along with the agenda for each meeting along with explanatory notes were communicated to the Board of Directors, Committee Members and Shareholders in advance as per the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS1 & SS2) issued by the Institute of Company Secretaries of India.

During the financial year 2016-17, 11 (Eleven) meetings of the Board were held viz., 15<sup>th</sup> April, 2016, 24<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 1<sup>st</sup> September, 2016, 3<sup>rd</sup> September, 2016, 21<sup>st</sup> September, 2016, 6<sup>th</sup> October, 2016, 9<sup>th</sup> November, 2016, 15<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017. 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.

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The details of Board Meeting held and attendance of each Director at the Board meetings during the financial year 2016-17 and at the last Annual General Meeting held on 30<sup>th</sup> September, 2016 are listed below:

Name of Directors	No. of Board Meetings attended	Whether attended last AGM
Shri Devendra Prasad Jajodia	11	Yes
Shri Vishal Bagri*	-	-
Smt. Swati Agarwal	11	Yes
Shri Susanta Sarkar	11	Yes
Shri Ashok Kumar Choudhary**	7	Yes
Shri Sumit Kumar Rakshit**	7	Yes

\*Resigned w.e.f 15<sup>th</sup> April, 2016

\*\* Appointed w.e.f 1<sup>st</sup> September, 2016

Ms. Seema Chowdhury, Company Secretary of the Company was present at all meetings of the Board of Directors held during the financial year 2016-17 and at the last Annual General Meeting of the Company.

### • Particulars of Number of other Directorship and Committee Membership/Chairmanship

The Number of directorship and committee membership/chairmanship held by each director in other companies as on 31<sup>st</sup> March, 2017 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 Susanta Sarkar	-	-	-	-
Smt Swati Agarwal	1	-	1	-
Shri Ashok Kumar Choudhary	-	-	-	-
Shri Sumit Kumar Rakshit	-	-	-	-

\*It does not include directorship in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies but includes alternate directorships in public limited companies (excluding Chandi Steel Industries Limited).

\*\*Directorship of any private limited companies (including alternate directorship), foreign companies and companies under section 8 of the Companies Act, 2013 have been considered.

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\*\*\* Membership(s)/Chairmanship(s) of only the Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding Chandi Steel Industries Limited) have been considered.

None of the Independent Directors of the Company serves in more than seven listed entities and none of the whole-time directors of the Company serves as an independent director in more than three listed entities. Further, none of the directors serve as a member in more than ten committees or act as a chairperson of more than five committees across all the listed entities in which they serve as a director pursuant to Regulation 25 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors informed the Company whenever there is change in directorship or committee membership in any other company in which he is director or committee member. The Board duly took note of the declaration received from the Director in the Board Meetings.

The facts and figures as stated above are based on the declarations received from the directors for the financial year ended 31<sup>st</sup> March, 2017.

- **Performance Evaluation of Board**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out performance evaluation of its own performance as well as the evaluation of the working of the Committees of the Board. The performance evaluation of independent directors was done by the board of directors excluding the ones whose evaluation was to be carried out. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

- **Separate Meeting of Independent Director**

During the year 2016-17, as per requirement of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 10<sup>th</sup> February, 2017 without the presence of non-independent directors and members of the management. The meeting was conducted by Independent Directors to:

- ❖ Evaluate the performance of Non-Independent Directors and the Board of Directors as a whole.
- ❖ Evaluate the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

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- ❖ Evaluate the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

- **Disclosure of Relationship between Directors Inter-se**

None of the directors are related to each other or to the promoters.

- **Familiarisation Programme for Independent Directors**

In Compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has conducted familiarisation cum induction programme for the independent directors on 10<sup>th</sup> February, 2017.

The induction programme included one-to-one interactive sessions with the Managing Director. They were familiarized with the Company's business and operations. Apart from the induction programme, the Company also update the Independent Directors at the Board/Committee meetings to familiarise the Directors with the Company's strategy, their rights and responsibilities, business performance, operations, finance, risk management framework, human resources and other related matters.

The details on the Company's Familiarisation Programme for Independent Directors can be accessed at "<http://www.jaibalajigroup.com/chandi-steel/familiarisation-programme-details-16-17.pdf>"

- **Shareholding of Non-Executive Directors**

None of the Non-executive Directors held shares as on 31.03.2017.

The Company has not issued any convertible instruments during the year 2016-17.

### **3. BOARD COMMITTEES**

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Executive and Non-Executive / Independent Directors. Board Committees ensure focussed discussion and expedient resolution of diverse matters. As on 31<sup>st</sup> March, 2017, the Company had following committees - Audit Committee, Nomination & Remuneration Committee (formally Remuneration Committee) and Stakeholders' Relationship committee (formally Share Transfer Cum Investors' Grievance Committee). 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>."

The minutes of all Committee meetings were placed before the Board and noted by the Directors at the Board Meetings. The role, composition and terms of reference of all committees including the number of meetings held during the financial year ended 31<sup>st</sup> March, 2017 and the related attendance are as follows:

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### ■ Audit Committee

The Company has constituted an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 which is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

#### **Terms of Reference:**

The brief description of the terms of reference of the Audit Committee in line with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015 are as follows:

- \* 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:
  - a) 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;
  - b) changes if any, in accounting policies and practices and reasons for the same
  - c) major accounting entries involving estimates based on the exercise of judgement by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transaction;
  - g) 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;
- \* Review and monitor the auditor's independence and performance and effectiveness of audit process;

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- \* 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;
- \* 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.

In addition, the Audit Committee also mandatorily reviews the following:

- \* 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 issued by the Statutory Auditors;
- \* Internal Audit Reports relating to internal control weaknesses; and

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- \* 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).

The Audit Committee have authority to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### ▪ Composition of the Committee

As on 31<sup>st</sup> March, 2017, the Audit Committee comprises of 3 Directors, Smt. Swati Agarwal, Non-Executive Independent Director (Chairman), Shri Devendra Prasad Jajodia, Executive Promoter Director and Shri Ashok Kumar Choudhary, Non-Executive Independent Director

Smt. Seema Chowdhury, Company Secretary acts as the Secretary to the committee. All the members of the Committee are financially literate and have knowledge on accounting or financial management.

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

During the financial year 2016-17, 6 (Six) meetings of the Audit Committee were held viz., 30<sup>th</sup> May, 2016; 11<sup>th</sup> August, 2016; 3<sup>rd</sup> September, 2016; 21<sup>st</sup> September, 2016; 9<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017. The maximum time gap between two consecutive audit committee meetings did not exceed four months. The necessary quorum was present at all the meetings.

Smt. Swati Agarwal, Chairman of the Committee, Shri Susanta Sarkar, Shri Devendra Prasad Jajodia and Shri Ashok Kumar Choudhary has attended 6 meetings, 2 meetings, 6 meetings and 4 meetings respectively.

Shri Tushar Kanti Sarkar, Chief Financial Officer of the Company was invited at the meetings of the Committee and he attended all the meetings. Further, Smt. Seema Chowdhury, the Company Secretary and the representatives of the Statutory Auditors and Internal Auditors attended the Audit Committee meetings. The representatives of the Cost Auditor attended the Audit Committee meeting when the Cost Audit Report is tabled for discussion.

Smt. Swati Agarwal, Chairman of the Audit Committee was present at the Thirty Eighth Annual General Meeting of the Company held on 30<sup>th</sup> September, 2016



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### ❖ **Nomination & Remuneration Committee**

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Regulations 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Section 178 of the Act.

#### **Terms of Reference:**

The terms of reference of the Committee include the following:

- \* 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 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 director.
- \* To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- \* Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- \* To ensure that Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

As on 31<sup>st</sup> March, 2017, the Nomination and Remuneration Committee comprises of 3 Directors, Smt. Swati Agarwal, Non-Executive Independent Director (Chairman), Shri Ashok Kumar Choudhary, Non-Executive Independent Director and Shri Sumit Kumar Rakshit, Non-Executive Independent Director.

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The Chairman of the committee, Smt. Swati Agarwal was present at the last Annual General Meeting to answer the queries of the shareholders.

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

During the financial year 2016-17, 1 (One) meeting of the committee was held viz., 10<sup>th</sup> February, 2017.

All the member directors viz. Smt. Swati Agarwal, Chairman of the Committee, Shri Sumit Kumar Rakshit and Shri Ashok Kumar Choudhary has attended the meeting held on 10<sup>th</sup> February, 2017.

Smt. Swati Agarwal, Chairman of the committee was present at the last Annual General Meeting to answer the queries of the shareholders.

### • **Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report as "**Annexure-B**" to the Directors Reports.

### ▪ **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.

### ➤ **Executive Directors:**

The Company pays remuneration by way of salary as a fixed component. As on 31<sup>st</sup> March, 2017, 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 1<sup>st</sup> April, 2013.

During the year 2016-17, the remuneration paid to Shri Devendra Prasad Jajodia was Rs. 35,000/- p.m. pursuant to the authority granted to the Board by the members of the Company at its Annual General Meeting held on 29<sup>th</sup> 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.

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(Rs.)

Name of the Directors	Salary (per annum)	Benefits / Allowances, etc. (fixed component)	Total
Shri Devendra Prasad Jajodia	4,20,000	Nil	4,20,000
Shri Susanta Sarkar	1,59,840	Nil	1,59,840
<b>Total</b>	<b>5,79,840</b>	<b>Nil</b>	<b>5,79,840</b>

### ➤ 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.

### ▪ 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.

### ■ Stakeholders' Relationship Committee (formerly Share Transfer Cum Investors' Grievance Committee)

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations. Stakeholders' Relationship Committee ensures quick redressal of the complaints of shareholders, debenture holders and other security holders.

### Terms of Reference:

- \* To review and note all matters relating to the registration of transfer and transmission of shares and debentures, transposition of shares, sub-division of shares, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced;
- \* To look into the redressal of shareholders' and investors' complaints relating to the transfer of shares, non-receipt of Annual Report/notices, dividends, etc;
- \* To oversee the performance of the Registrar & Share Transfer Agents;

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## Annual Report 2016-17

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- \* To review dematerialisation and rematerialisation of the shares of the Company;
- \* To comply with all such directions of SEBI, Stock Exchanges, Ministry of Corporate Affairs & other regulatory bodies w.r.t. shareholders'/investors' rights and market regulations, from time to time.

- **Composition of the Committee**

As on 31<sup>st</sup> March, 2017, the Stakeholders Relationship Committee comprises of 2 Directors, Smt. Swati Agarwal, Non-Executive Independent Director (Chairman) and Shri Devendra Prasad Jajodia, Promoter Executive Director.

Smt. Seema Chowdhury, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the Secretary to the Committee and she attended all Stakeholders Relationship Committee Meetings held during the year.

- **Meetings of the Stakeholders' Relationship Committee and Attendance of the Members at the meetings**

During the financial year 2016-17, 4 (Four) meetings of the Stakeholders' Relationship Committee were held viz., 30th May, 2016; 11th August, 2016; 9th November, 2016 and 10<sup>th</sup> February, 2017.

Smt. Swati Agarwal, Chairman of the Committee and Shri Devendra Prasad Jajodia has attended 4 meetings each respectively.

- **The details of investor complaints received, pending or solved during the year**

Number of shareholders complaints pending as on 1 <sup>st</sup> April, 2016	:	NIL
Number of shareholders complaints received during the year ended 31 <sup>st</sup> March, 2017	:	NIL
Number of shareholders complaints not solved to the satisfaction of the Shareholders	:	NIL

Number of shareholders complaints pending as on 31 <sup>st</sup> March, 2017	:	NIL
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It is confirmed that there was no request for registration of share transfers/ transmission lying pending as on 31<sup>st</sup> March, 2017 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31<sup>st</sup> March, 2017 have been processed.

Status of Investor Complaints were also placed before the Board and was filed with the Stock Exchanges wherein the equity shares of the Company are listed pursuant to Regulation 13 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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#### **4. GENERAL BODY MEETINGS**

##### **❖ Annual General Meeting (AGM)**

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

<b>Financial</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2015-16	Friday, 30 <sup>th</sup> September, 2016	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2014-15	Tuesday, 29 <sup>th</sup> September, 2015	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2013-14	Tuesday, 30 <sup>th</sup> September, 2014	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001

##### **❖ Special Resolutions passed in the previous 3 Annual General Meetings**

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

<b>2015-16</b>	i. To issue and allot 2,00,000 Zero Coupon, Unsecured, Unlisted, Non-Convertible Debentures on conversion of advance into debentures.
<b>2014-15</b>	i. To enter into contracts, arrangements, transactions including material transaction with its related parties under Section 188 of the Companies Act, 2013.
<b>2013-14</b>	i. Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. ii. 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.

##### **❖ Special Resolution passed through postal ballot during financial year 2016-17**

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.

##### **● Extra-ordinary General Meeting**

No special resolution was passed through Extra-Ordinary General Meeting during the last three years under review.

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### **5. MEANS OF COMMUNICATION**

#### **▪ Quarterly Financial Results**

Prior intimation of Board Meetings in which Unaudited/ Audited Financial Results of the Company was considered, approved and were intimated to the Stock Exchanges and also disseminated on the website of the Company at "www.jaibalajigroup.com". The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same is approved at the Board Meeting. The financial results are intimated to The Calcutta Stock Exchange Limited (CSE).

#### **▪ Newspapers wherein results are normally published**

Intimation of Board Meetings and General Meetings, financial results and other publications of the Company are published in "The Financial Express", (English Newspaper) and "Ek Din" (Vernacular Newspaper) as per Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.

#### **▪ Website**

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company's website "www.jaibalajigroup.com" contains a separate dedicated section 'Investor Relations' which is a comprehensive reference containing the up-to-date financial results, annual reports, shareholding patterns, Company's policies, material disclosures, official news releases, presentations made to institutional investors or to the analysts, if any and other general information about the Company.

#### **▪ 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.

### **SEBI Complaints Redress System (SCORES):**

SCORES is a web-based complaint redress system where the investor grievances received are handled. The pertinent features include: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Contact information of the designated official responsible for assisting and handling Investor Complaints is detailed hereunder :

The Company Secretary  
Chandi Steel Industries Limited  
3, Bentinck Street,  
Kolkata - 700 001  
Phone No.: (91)(33) 22489808  
Fax: (91)(33) 2243 0021  
E-mail: chandisteelindustries@gmail.com

# Chandi Steel Industries Limited

## Annual Report 2016-17

### 6. GENERAL SHAREHOLDER INFORMATION

<b><u>39<sup>th</sup> Annual General Meeting</u></b>	Day/Date : Saturday, 23 <sup>rd</sup> September, 2017 Time : 11:00 a.m. Venue : 3, Bentinck Street, Kolkata – 700 001								
<u>Date of book closure</u>	The Register of Members and Share Transfer Book shall remain closed from Monday, 18 <sup>th</sup> September, 2017 to Saturday, 23 <sup>rd</sup> September, 2017								
<u>Financial calendar (tentative schedule) for the year 2017-18</u>	<p>1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018</p> <p>The probable dates for submission of the Financial Results for the financial year 2017-18:</p> <table border="1"> <tr> <td>1<sup>st</sup> Quarter Results</td><td>On or before 14<sup>th</sup> Sep, 2017</td></tr> <tr> <td>2<sup>nd</sup> Quarter Results</td><td>On or before 14<sup>th</sup> Dec, 2017</td></tr> <tr> <td>3<sup>rd</sup> Quarter Results</td><td>On or before 14<sup>th</sup> Feb, 2018</td></tr> <tr> <td>Annual Results</td><td>On or before 30<sup>th</sup> May, 2018</td></tr> </table>	1 <sup>st</sup> Quarter Results	On or before 14 <sup>th</sup> Sep, 2017	2 <sup>nd</sup> Quarter Results	On or before 14 <sup>th</sup> Dec, 2017	3 <sup>rd</sup> Quarter Results	On or before 14 <sup>th</sup> Feb, 2018	Annual Results	On or before 30 <sup>th</sup> May, 2018
1 <sup>st</sup> Quarter Results	On or before 14 <sup>th</sup> Sep, 2017								
2 <sup>nd</sup> Quarter Results	On or before 14 <sup>th</sup> Dec, 2017								
3 <sup>rd</sup> Quarter Results	On or before 14 <sup>th</sup> Feb, 2018								
Annual Results	On or before 30 <sup>th</sup> May, 2018								
<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>	<p>National Securities Depository Limited Trade world, 4<sup>th</sup> Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013</p> <p>Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street Mumbai – 400 001</p> <p>Annual Custodial Fees pertaining to year 2017-18 have been duly paid.</p>								
<u>Demat International Security Identification Number (ISIN) in NSDL and CDSL</u>	INE204G01017								
<u>Corporate Identification Number (CIN)</u>	L13100WB1995PLC031670								

# Chandi Steel Industries Limited

## Annual Report 2016-17

### ▪ Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.

Corporate Office: 23 R.N Mukherjee Road, 5<sup>th</sup> Floor

Kolkata - 700 001

Phone No.: (91) (33) 2243 5029

E-mail: mdpldc@yahoo.com

### Market price data

The shares of the Company are listed on the Calcutta Stock Exchange Limited and the same is not traded.

### ▪ Share transfer system

98.02% of the equity shares of the Company are in dematerialised form. Transfer of shares held in electronic mode are processed by the depositories. Requests for Transfer/ Transmission of shares held in physical form can be lodged with the Company's Registrar and Share Transfer agents of the Company for share transfers, splits, issue of duplicate share certificates, rematerialisation and dematerialisation etc. Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt of such requests subject to the documents being valid and complete in all respects. The summary of investor complaints, demat/remat/corporate action and transfer/transmission of shares are placed before the Stakeholders' Relationship Committee of the Company periodically.

The Company obtains from a Company Secretary in practice, a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and files the same with the stock exchanges. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is issued by a Company Secretary in practice regarding timely dematerialisation of the shares of the Company.

### ▪ Categories Of Shareholders as on 31<sup>st</sup> March, 2017

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



# Chandi Steel Industries Limited

## Annual Report 2016-17

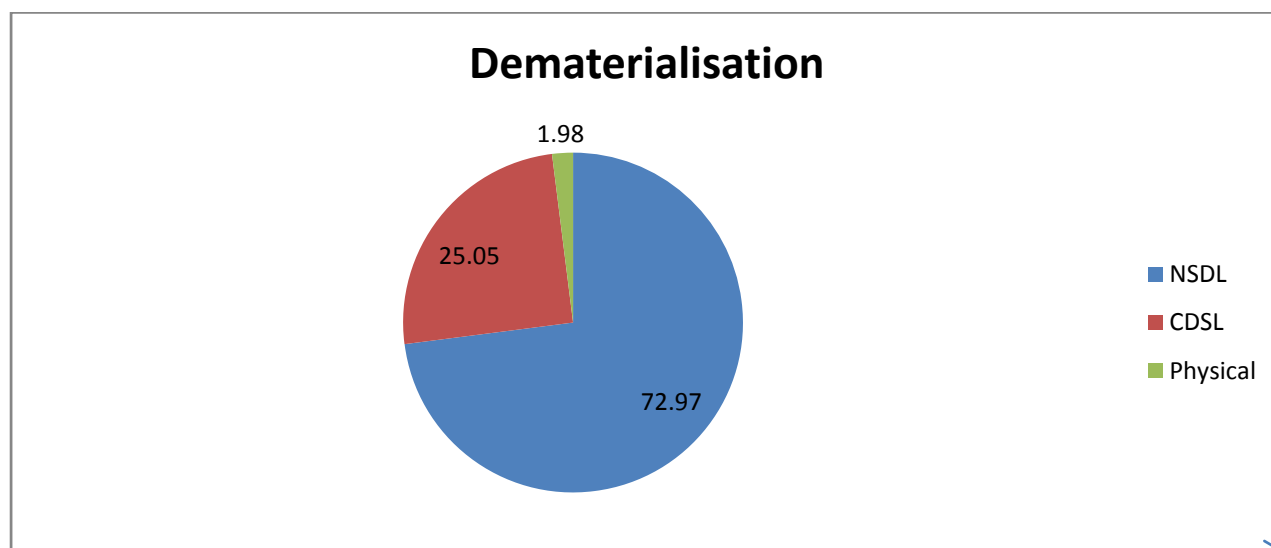
### ▪ Distribution of Shareholding as on 31<sup>st</sup> March, 2017

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
<b>Total</b>	<b>664</b>	<b>100.00</b>	<b>10,540,000</b>	<b>100.00</b>

### ▪ Dematerialization Of Shares And Liquidity as on 31<sup>st</sup> March, 2017

The Shares of the Company are tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for dematerialization of shares can be sent directly to the Registrar and Share Transfer Agent at M/s. Maheshwari Datamatics Private Limited, 23 R.N Mukherjee Road, 5<sup>th</sup> Floor, Kolkata- 700 001. As at 31<sup>st</sup> March, 2017 a total of 1,03,31,800 equity shares of the Company, representing 98.02% of the Company's share capital were held in dematerialised form of which 76,91,100 representing 72.97% of the total paid-up equity share capital were held with NSDL and 26,40,700 representing 25.05 % of the total paid-up equity share capital with CDSL.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 204G01017.



# Chandi Steel Industries Limited

## Annual Report 2016-17

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- **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 31<sup>st</sup> March, 2017, 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 9808

Fax: (033) 2243 0021

E-mail: [cschandisteel@jaibalajigroup.com](mailto:cschandisteel@jaibalajigroup.com)

## **7. 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 31<sup>st</sup> March, 2017 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 38<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2016. 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 30<sup>th</sup> May, 2016 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

# Chandi Steel Industries Limited

## Annual Report 2016-17

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approval pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company at its meeting held on 29<sup>th</sup> May, 2017 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**

As per requirements of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/ Whistle Blower Policy for directors and employees to enable directors and employees to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases.

The Company hereby affirms that no Director/ employee have been denied access to the Chairman and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website under the web link "<http://www.jaibalajigroup.com/chandi-steel/whistle-blower-policy.pdf>".

### ▪ **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.
- \* 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

# Chandi Steel Industries Limited

## Annual Report 2016-17

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relevant transfers as per Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **ADOPTION OF NON-MANDATORY REQUIREMENT:**

#### **\* Shareholder rights**

The Quarterly, half-yearly and annual financial results of the Company as reviewed by the Audit Committee and then approved by the Board of Directors and all the significant events of the Company were submitted to the Stock Exchanges within the prescribed time and updated on the website of the Company viz. "www.jaibalajigroup.com" under the weblink "http://www.jaibalajigroup.com/chandi\_steel\_industries\_limited.html". These informations are not sent to each household of shareholders.

#### **\* 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.

#### **\* Other Compliances**

- The Board of Directors quarterly reviews the compliances and laws as applicable to the Company. They also have in place plans for orderly succession for appointment to the Board of Directors and Senior Management.

#### **\* Submission of Corporate Governance Report**

The Corporate Governance Report pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for each quarter for the financial year 2016-17 was duly submitted to the Stock Exchanges within the stipulated time period.

#### **▪ 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. The financial statements of the Company have been audited by M/s. Rashmi & Co., Chartered Accountants, Statutory Auditor of the Company.

#### **• Code of Conduct**

The Company has in place a comprehensive Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Personnel of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the

# Chandi Steel Industries Limited

## Annual Report 2016-17

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Company. The Company has received confirmations from all concerned regarding their adherence to the said Code. The Code has been hosted on the Company's website "www.jaibalajigroup.com" under the web link "<http://www.jaibalajigroup.com/chandi-steel/code-conduct-directors-seniormanagement.pdf>".

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chairman & Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management personnel and forms part of this Annual Report.

### ▪ **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**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Management Discussion and Analysis forms a part of 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 2016-17.

### ▪ **Subsidiary Companies**

The Company does not have any wholly owned subsidiaries as on 31<sup>st</sup> March, 2017.

### ▪ **CEO and CFO Certification**

The Managing Director and the Chief Financial Officer certification is provided in this Annual report in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the format specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### ▪ **Risk Management**

Risk evaluation and management is an ongoing process within the Company and is periodically reviewed by the Board. The Company has devised a policy on Risk Management which is hosted on the Company's Website viz "[www.jaibalajigroup.com](http://www.jaibalajigroup.com)" under the weblink "<http://www.jaibalajigroup.com/chandi-steel/risk-management-policy.pdf>".

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### ▪ Reconciliation of Share Capital Audit

The Company has engaged Smt. Premrata Soni, a Practising Company Secretary to carry out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report 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 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: 12<sup>th</sup> August, 2017**

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

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### 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 31<sup>st</sup> March, 2017.

The said Code of Conduct is posted on the website of the Company, namely, [www.jaibalajigroup.com](http://www.jaibalajigroup.com).

**Place :** Kolkata

**Date :** 12<sup>th</sup> August, 2017

**Devendra Prasad Jajodia**

*Managing Director*

(DIN: 00045166)

# Chandi Steel Industries Limited

## Annual Report 2016-17

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### **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 31<sup>st</sup> March, 2017 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 : 29<sup>th</sup> May, 2017

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

**Sd/-**  
**Tushar Kanti Sarkar**  
*Chief Financial Officer*



# Chandi Steel Industries Limited

## Annual Report 2016-17

### 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

Economic growth in recent years has fallen short of expectations in both advanced and emerging market economies. As the world economy moves further away from the global financial crisis, the factors affecting global economic performance are becoming more complex. They reflect a combination of global forces— demographic trends, a persistent decline in productivity growth, adjustment to lower commodity prices and shocks driven by domestic and regional factors.

In the financial year 2016-17 the Indian economy grew at an estimated 7.1%, as per government estimates reported by the Ministry of Statistics & Programme Implementation, slowing from a growth rate of 7.9% reported for FY 2015-16.



The demonetisation announced in Q3 resulted in a temporary blip in the economic growth. The manufacturing sector grew at a healthy 7.7% in FY 2016-17, though subdued from the 10.6% levels

# Chandi Steel Industries Limited

## Annual Report 2016-17

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seen in Financial Year 2015-16. The farm sector's growth significantly accelerated to 4.4% this financial year from 0.8% last year. The growth pick-up was seen from Q2 onwards, buoyed by a normal monsoon and encouraging sowing data. The mining and quarrying sector, which saw a de-growth in Q1 & Q2 before recovering to 7.5% growth in Q3 FY 2016- 17, is expected to end at a full year growth of 1.3% for FY 2016-17 as compared to 12.3% for FY 2015-16.

For FY 2017-18, growth is estimated to pick up to 7.4% levels. There is an expectation of stable to slightly positive inflationary pressures due to pick-up in economy as well as impact of seventh pay commission. It is widely expected that GST implementation in FY 2017-18 would auger well for economic growth. Economists estimate potential long term GDP growth impact at 2-4 percentage points attributable to GST.

There is a gradual revival being seen in the construction sector. Road laying is picking up pace and so is other construction activity. Coal mining has aggressive mid and long term prospects, given the electricity generation targets set by the central government. While investments are still subdued due to excess capacity across sectors, it is expected that a prolonged period of controlled inflation, a stable government policy and steadily improving per-capita income would improve consumption and lead to a more sustained growth in the range of 7.0-8.5%

### INDUSTRY STRUCTURE & DEVELOPMENTS

India is currently the world's 3rd largest producer of crude steel against its 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world soon. India's steel sector posted a robust 11% growth in production in 2016-17 at 101.2 MT even as domestic consumption remained anaemic mainly due to poor off-take from the end-use segments like construction, automobiles and white goods sectors.

India's steel demand was expected to gather momentum in the second half of F.Y. 2016-17, driven by the Government's measures to drive the economy and manage quantifiable progress on various policy reforms. However, the steel demand did not see the desirable upswing in the second half of the year, amid poor liquidity, following the Government's de-monetisation initiative. This led to a liquidity crunch and a contraction of the major consuming sectors such as real estate.

# Chandi Steel Industries Limited

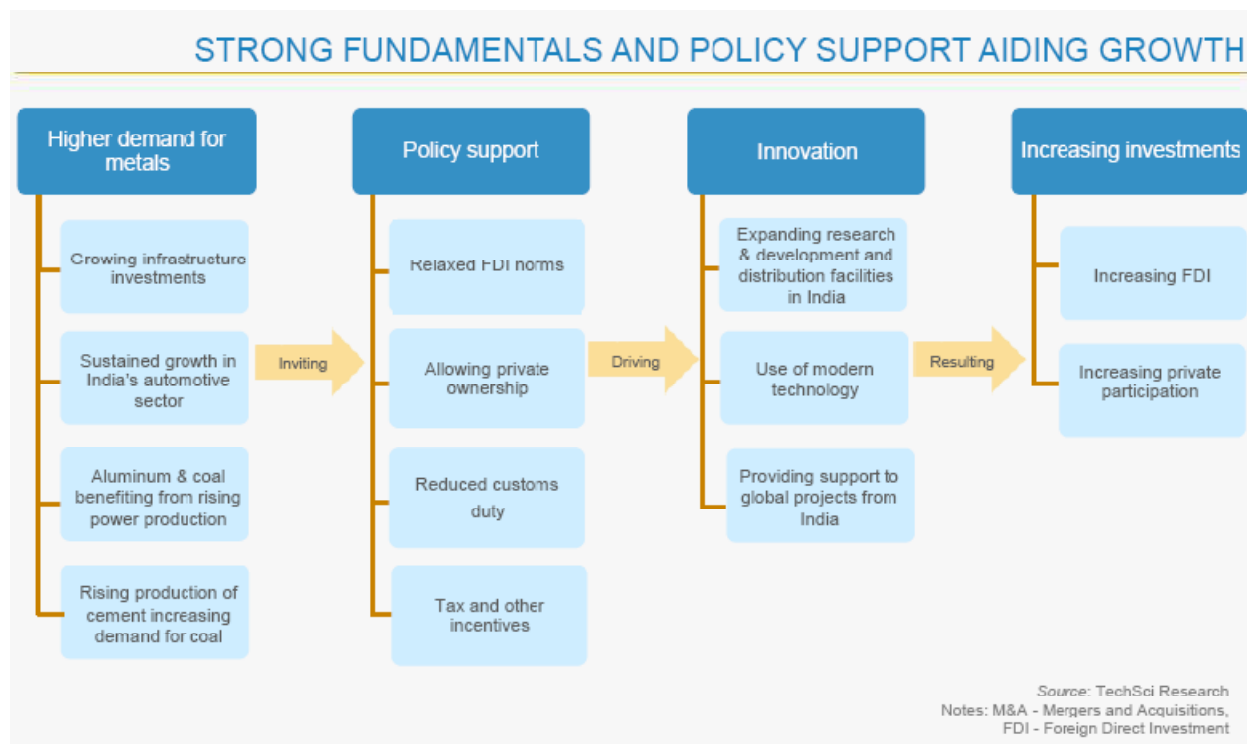
## Annual Report 2016-17

### OPPORTUNITIES, THREATS, RISKS AND CONCERNS

#### OPPORTUNITIES

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

The Government of India announced demonetization of high denomination bank notes of Rs. 1000 and Rs. 500, with effect on November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth. A recent report released by CRISIL, the global analytical firm suggests that various government initiatives such as the National Steel Policy (NSP) 2017 will help the country to sustain 6% steady growth in steel demand over the next five years.



# Chandi Steel Industries Limited

## Annual Report 2016-17

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Steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, pipes and tubes etc. With the Indian economy poised for its next wave of growth under the reforms being unleashed in the last one year, there lies tremendous opportunity for the Indian steel industry to prosper and grow exponentially.

### **Threats, risks and concern**

For, India to regain its growth momentum several infrastructural and operational hurdles needs to be overcome in order to continue on the path of becoming next steel powerhouse. The Industry still has 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.

The Sector is highly fragmented with number of small to large scale producers with the process of making steel varying among different units. With a low level of advanced technology, Indian Steel industry faces issues of quality, efficiency and process standards. The overall use of technology is low throughout the value chain from mining to steel making.

Indian steel Industry faces huge delays due to land acquisition and rehabilitation issues. Access to infrastructure such as roads, ports, power, and last-mile connectivity is also an issue in India which reduces the productivity of the steel industry and increases the cost of doing business. The Government needs to plan for future rail network capacity, as the railways accounts for more than 70%.

The time has come, for the steel producers to be optimistic, there is no looking back. The economic scenario is pointing towards positivity. This is the time the Indian Steel Industry is to take the utmost advantage.

### **Outlook**

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. According to the World Steel Association, India will contribute 5.1 million tonnes out of the forecasted growth of around 20 million tonnes in global steel demand during the year 2017.

In the current financial year 2017-18, the domestic steel production is expected to remain higher and is likely to rise by 8- 10%. This will be backed by an increase in infrastructure allocation by the government in the Union Budget 2017-18 which is expected to drive the pace of construction and

# Chandi Steel Industries Limited

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infrastructure in the country. Apart from this, the National Steel Policy 2017 released by the government also aims to increase steel production. Various initiatives undertaken by the government are likely to increase domestic steel consumption and thereby production. Some of the initiatives are mentioned below:

- Pradhan Mantri Awas Yojna
- Make in India campaign
- Encouraging the use of Made in India steel for various projects
- Spending in areas of railways, roads and urban development

### **FINANCIAL PERFORMANCE**

During the year under review the Company has earned revenue comprising of sales and other income of Rs. 9,143.90 lacs as compared to 8,460.30 lacs in the previous year registering a growth of 8.08%. The Profit before Tax also recorded a growth and reached to 31.06 lacs as against Rs. 29.74 lacs in the previous year. The Net Profit for the year under review was Rs. 20.98 lacs. The Company shall endeavor to constantly improve its performance in the same pace to benefit all its stakeholders.

### **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.

# Chandi Steel Industries Limited

## Annual Report 2016-17

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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.*

**For and on behalf of the Board**

**Place: Kolkata**  
Date: 12<sup>th</sup> August, 2017

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

**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 31<sup>st</sup> March 2017, 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.

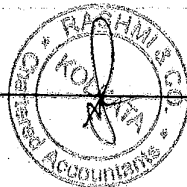
**Auditor's Responsibility**

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, 2017, 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With Respect to the adequacy of the internal financial controls over financial reporting of the 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.
- iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note no. 35 to the financial statements.

Place: Kolkata  
Dated: 29<sup>th</sup> May, 2017



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, 2017, we report that:

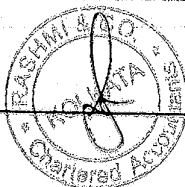
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information's.
- (b) All fixed assets have been physically verified by the management during the period but there is a regular programme 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 Rs. 2239.96 lacs and the period- end balance in respect of such loan is Rs.2048.53 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 Rs. 3200.00 lacs and yearend balance in respect of such loan is Rs. 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	6.55	2010-11 to 2014-15	Commissioner Pending for adjournment
Central Excise Act, 1944	CENVAT Credit Disallowed	37.64	2008-09	Commissioner (Appellate)
Central Excise Act, 1944	Irregular Availment of Service Tax Credit	342.60	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	604.90	2005-06, 2006-07, 2008-09, 2009-10, 2010-11 and 2013-14	West Bengal Appellate and Revision Board.
The Central Sales Tax Act, 1956	Pending Forms	119.75	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 ITAT / 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 material 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: 29<sup>th</sup> May, 2017



**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, 2017 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

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, 2017, 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

*Sandeep Agarwal*  
**CA Sandeep Agarwal**  
Partner  
Membership number: 065643



Place: Kolkata  
Date: 29<sup>th</sup> May, 2016



**CHANDI STEEL INDUSTRIES LIMITED**
**Balance Sheet as at March 31, 2017**

			(₹ in lacs)
	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	1,053.62	1,053.62
Reserves and Surplus	4	491.64	470.66
		<u>1,545.26</u>	<u>1,524.28</u>
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	3,445.36	3,217.92
Deferred Tax Liabilities (Net)	6	108.68	112.72
		<u>3,554.04</u>	<u>3,330.64</u>
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,199.59	969.42
Trade Payables	8	3,976.79	2,680.58
Other Current Liabilities	8	648.18	226.19
Short Term Provisions	9	20.93	14.03
		<u>5,845.49</u>	<u>3,890.22</u>
<b>TOTAL</b>		<u><u>10,944.79</u></u>	<u><u>8,745.14</u></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	10	1,345.68	1,334.62
Capital Work in Progress	10	3,625.38	3,625.38
Long Term Loans and Advances	11	23.85	20.01
		<u>4,994.91</u>	<u>4,980.01</u>
<b>Current Assets</b>			
Inventories	12	1,254.67	428.85
Trade Receivables	13	1,112.35	618.47
Cash and Bank Balances	14	33.23	81.42
Short Term Loans and Advances	11	3,547.73	2,631.08
Other Current Assets	15	1.90	5.31
		<u>5,949.88</u>	<u>3,765.13</u>
<b>TOTAL</b>		<u><u>10,944.79</u></u>	<u><u>8,745.14</u></u>

**Significant Accounting Policies**

1 &amp; 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

*Susanta Sarkar*  
Susanta Sarkar  
Director

*Seema Chowdhury*  
Seema Chowdhury  
Company Secretary

*Tushar Kanti Sarkar*  
Tushar Kanti Sarkar  
Chief Financial Officer

Place : Kolkata

Date : May 29, 2017



**CHANDI STEEL INDUSTRIES LIMITED****Statement of Profit and Loss for the year ended March 31, 2017**

(₹ In lacs)

	Notes	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>INCOME</b>			
Revenue from Operations (Gross)	16	9,941.02	9,129.98
Less: Excise Duty	16	815.51	693.39
Revenue from Operations (Net)		9,125.51	8,436.59
Other Income	17	18.39	23.71
<b>Total Revenue (I)</b>		<b>9,143.90</b>	<b>8,460.30</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18	5,851.37	5,181.03
Changes in Inventories of Finished Goods	19	(51.05)	373.50
Employee Benefits Expense	20	133.17	124.25
Finance Costs	21	556.75	799.97
Depreciation	10	94.22	81.12
Other Expenses	22	2,528.38	1,870.69
<b>Total Expenses (II)</b>		<b>9,112.84</b>	<b>8,430.56</b>
<b>Profit before Tax (I-II)</b>		<b>31.06</b>	<b>29.74</b>
<b>Tax Expenses:</b>			
Current Tax Expenses		7.07	5.67
Less : MAT Credit Entitlement		7.05	6.60
Net Current Tax Expenses		14.12	12.27
Deferred Tax		(4.04)	(1.69)
<b>Total Tax Expense</b>		<b>10.08</b>	<b>10.58</b>
<b>Profit for the period</b>		<b>20.98</b>	<b>19.16</b>
<b>Earnings per Equity Share:(Nominal Value per Share ₹10)</b>			
Basic & Diluted		0.20	0.18
<b>Significant Accounting Policies</b>	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

Managing Director

Susanta Sarkar

Director

Seema Chowdhury

Company Secretary

Tushar Kanti Sarkar

Chief Financial Officer

Place : Kolkata

Date : May 29, 2017

**CHANDI STEEL INDUSTRIES LIMITED**  
**Cash Flow Statement for the year ended March 31, 2017**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>A: Cash Flow From Operating Activities</b>		
Net Profit Before Taxes	31.06	29.74
Adjustments For :		
Depreciation	94.22	81.12
Irrecoverable Debts Written off	1.23	0.05
Liabilities no longer required written back	-	(2.86)
Interest on Term Loans and Others	556.75	799.97
Insurance Claims	-	(0.44)
Prior Period Expenditure (net)	-	3.58
Gain / (Loss) on Foreign Exchange Fluctuations (Net)	(14.68)	(0.10)
Interest Income	(3.66)	(20.31)
<b>Operating Profit Before Working Capital Changes</b>	<b>664.92</b>	<b>890.75</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(480.43)	(291.22)
Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets	(920.36)	(652.61)
Decrease / (Increase) in Inventories	(825.82)	1087.41
(Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions	1,730.62	(202.24)
<b>Cash Generated From Operating Activities</b>	<b>(495.99)</b>	<b>(58.66)</b>
Direct Taxes paid (net of refunds)	3.26	(8.60)
<b>Net Cash generated from Operating Activities</b>	<b>172.19</b>	<b>823.49</b>
<b>B: Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(110.80)	(53.71)
Interest received	3.66	20.31
<b>Net Cash Used In Investing Activities</b>	<b>(107.14)</b>	<b>(33.40)</b>
<b>C: Cash Flow From Financing Activities</b>		
Repayment of long / short term Borrowings	457.61	(216.89)
Interest Paid	(556.75)	(799.97)
<b>Net Cash generated from Financing Activities</b>	<b>(99.14)</b>	<b>(1016.86)</b>
<b>Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(34.09)</b>	<b>(226.77)</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>81.42</b>	<b>308.19</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>47.33</b>	<b>81.42</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2.86	3.98
Cheques in hand	1.46	0.00
Balance with Scheduled Banks on:		
Current Account	19.42	70.69
Fixed Deposit Account	9.49	6.75
<b>Cash and Bank Balances as per Note 14</b>	<b>33.23</b>	<b>81.42</b>
Less : Fixed deposits not considered as cash equivalents	-	-
<b>Cash and Cash Equivalents in Cash Flow Statement:</b>	<b>33.23</b>	<b>81.42</b>

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 29, 2017

For and on behalf of the Board of Directors

*Devendra Prasad Jajodia*  
 Devendra Prasad Jajodia  
 Managing Director

*Susanta Sarkar*  
 Susanta Sarkar  
 Director

*Seema Chowdhury*  
 Seema Chowdhury  
 Company Secretary

*Tushar Kanti Sarkar*  
 Tushar Kanti Sarkar  
 Chief Financial Officer

**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.

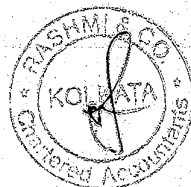
**2.3 FIXED ASSETS**

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.



**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**

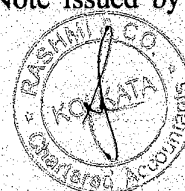
Company's Contribution to Provident Fund is accounted at cost on accrual basis. Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognized as a charge. The provision for gratuity to employee is made as per actuarial 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, 2017**

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**

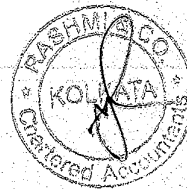
Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary asset and liabilities are translated at year end exchange rates. Any income or expense on account of exchange differences either on settlement or on translation 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 24<sup>th</sup> September 2014 cancelling the Coal Blocks, including Jagannathpur "A" & "B".



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 3 : Share Capital**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Authorised capital</b>		
12,000,000 (12,000,000) Equity Shares of ₹ 10/- each	1,200.00	1,200.00
<b>Issued, subscribed and fully paid-up capital</b>		
10,540,000 (10,540,000) Equity Shares of ₹ 10/- each	1,054.00	1,054.00
Less: Calls unpaid ( Due from other than directors or officers)	0.38	0.38
<b>Total</b>	<b>1,053.62</b>	<b>1,053.62</b>

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
<b>Equity Shares of ₹ 10/- each</b>				
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	<b>10,540,000</b>	<b>1,053.62</b>	<b>10,540,000</b>	<b>1,053.62</b>

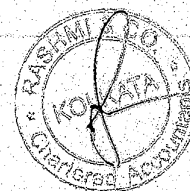
**(b) Terms/rights attached to equity shares**

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, 2017		As at March 31, 2016	
	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
	<b>3,203,998</b>	<b>30.39</b>	<b>3,203,998</b>	<b>30.39</b>

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, 2017

**Note 4 : Reserves & Surplus**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Capital Reserve</b>		
As per last financial statements	34.92	34.92
<b>General Reserve</b>		
As per last financial statements	10.00	10.00
<b>Surplus in Statement of Profit and Loss</b>		
As per last financial statements	425.74	406.58
Add: Profit for the period	20.98	19.16
<b>Surplus in Statement of Profit and Loss</b>	446.72	425.74
<b>Total:</b>	491.64	470.66

**Note 5 : Long Term Borrowings**

	(₹ in lacs)			
	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>Loans and Advances from related Parties(unsecured)</b>	3,200.00	3,200.00	-	-
<b>Unsecured Non Convertible Debenture</b>	200.00	-	-	-
<b>Deferred Payments Liabilities</b>	45.36	17.92	21.99	15.27
<b>Total:</b>	3,445.36	3,217.92	21.99	15.27

- a. 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 project. The maximum amount outstanding at any time during the year Rs. 3,200.00 lacs (Rs. 3,200.00 lacs)
- b. 200000 Unsecured, Unlisted, Non-Convertible Debentures of Rs.100/- each fully paid 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. The Debentures shall carry an interest of 8% p.a.

**Note 6 : Deferred Tax Assets / Liabilities (Net)**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Deferred Tax Asset</b>		
Provision/Expenses allowable in future Under Income Tax Act.	4.06	4.26
<b>Sub Total (B)</b>	4.06	4.26
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable assets	112.74	116.98
<b>Sub Total (A)</b>	112.74	116.98
<b>Deferred Tax Liabilities (Net) (A-B)</b>	108.68	112.72





**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 7 : Short Term Borrowings**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
- Cash Credit from Banks	751.59	734.83
<b>Unsecured</b>		
Loans & advances from related parties*	448.00	234.59
<b>Total:</b>	<b>1,199.59</b>	<b>969.42</b>

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)

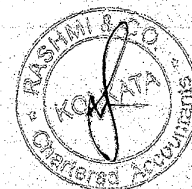
**Note 8 : Trade Payables and other Current Liabilities**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
Trade Payables	3,976.79	2,680.58
(Refer Note 27 for details due to Micro and Small Enterprises)	<u>3,976.79</u>	<u>2,680.58</u>
Current Maturity of Long Term Borrowings (Refer Note 5)	21.99	15.27
Capital Creditors	35.37	40.89
Advance From Customers	467.76	89.97
Advance From Related Party *	-	6.32
Others		
- Statutory Dues Payable	89.47	30.92
- Excise Duty payable on Closing Stock	22.93	33.78
- Due to Employees	10.66	9.04
	<u>648.18</u>	<u>226.19</u>
<b>Total:</b>	<b>4,624.97</b>	<b>2,906.77</b>

\*(Refer Note 32)

**Note 9 : Short Term Provisions**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 28)	11.98	13.14
Leave Salary	1.88	0.89
<b>Other Provision:</b>		
Provision for Taxation (Net)	7.07	-
<b>Total:</b>	<b>20.93</b>	<b>14.03</b>





**CHANDI STEEL INDUSTRIES LIMITED**

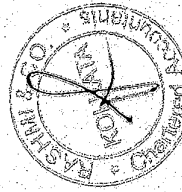
Notes to financial statements for the year ended March 31, 2017

**Note 10 : Tangible Assets.**

Note 10 : Tangible Assets.								
Particulars	Gross Block		DEPRECIATION				NET BLOCK	
	As at March 31, 2016	Addition	As at March 31, 2017	As at March 31, 2016	For the period	Depreciation in respect of assets whose useful life is over	As at March 31, 2017	As at March 31, 2016
LAND	481.51	-	481.51	-	-	-	481.51	481.51
FACTORY SHED & BUILDING	245.12	-	245.12	62.30	6.82	-	176.00	182.82
PLANT & MACHINERY	705.00	16.17	721.17	357.98	40.80	-	322.39	347.02
FURNACE	65.65	-	65.65	34.25	4.06	-	27.34	31.40
FURNITURE	1.30	-	1.30	1.24	-	-	0.06	0.06
AIR CONDITIONER	2.75	-	2.75	1.54	0.19	-	1.02	1.21
GENERATOR	7.27	-	7.27	3.41	0.26	-	3.60	3.86
COMPUTER	4.20	1.51	5.71	4.13	-	-	1.58	0.07
FAX MACHINE	0.46	-	0.46	0.44	-	-	0.02	0.02
FORGING MACHINE	3.91	-	3.91	3.53	0.18	-	0.20	0.38
STEEL ROLL	639.61	7.24	646.85	639.61	7.24	-	646.85	-
OFFICE EQUIPMENT	2.50	0.52	3.02	1.29	0.29	-	1.44	1.21
CRANE	24.19	1.69	25.88	6.73	1.17	-	17.98	17.46
MOTOR CAR	62.18	77.58	139.76	11.92	14.35	-	113.49	50.26
ELECTRICAL EQUIPMENT	32.22	0.57	32.79	19.58	5.05	-	8.16	12.64
PRODUCER GAS PLANT	289.62	-	289.62	84.92	13.81	-	190.89	204.70
TOTAL	2,567.49	105.28	2,672.77	1,232.87	94.22	-	1,345.68	1,334.62
Previous Year's Total	2,505.58	61.91	2,567.49	1,151.75	81.12	-	1,334.62	

**CAPITAL WORK-IN-PROGRESS**

Particulars	As at March 31, 2017	As at March 31, 2016
Coal Block		
Opening	3,625.38	3,625.38
Addition	-	-
<b>TOTAL</b>	<b>3,625.38</b>	<b>3,625.38</b>



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 11 : Loans and Advances**

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>(Unsecured, Considered Good)</b>				
Capital Advances	16.97	11.72	112.86	-
Security Deposit	6.88	8.29	53.98	38.14
<b>Loans and advances to Related parties</b>				
Loans to Body Corporate (Receivable on demand)*	-	-	2,086.55	1,645.33
<b>Advances recoverable in cash or kind</b>				
Advances recoverable in cash or in kind or for value to be received	-	-	197.79	108.69
<b>Other Loans and advances</b>				
Balance with Excise and other Government Authorities	-	-	1,078.64	815.29
Advance income tax (Net)	-	-	17.91	16.57
Mat Credit Entitlement	-	-	-	7.06
	-	-	1,096.55	838.92
<b>Total:</b>	<b>23.85</b>	<b>20.01</b>	<b>3,547.73</b>	<b>2,631.08</b>

\*(Refer Note 32)

**Note 12 : Inventories**

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Raw Materials	673.99	83.15
[Stock in Transit ₹ 82.64 lacs (₹ 7.61 lacs)]		
Stores and Spares	246.63	51.86
Finished Goods	320.88	281.90
By Products and Scrap	13.17	11.94
<b>Total:</b>	<b>1,254.67</b>	<b>428.85</b>



**CHANDI STEEL INDUSTRIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2017**

**Note 13 : Trade Receivables**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Outstanding for a period exceeding six month from the date they are due for payment</b>		
Unsecured, considered good	23.85	28.32
(A)	23.85	28.32
<b>Other Debts</b>		
Unsecured, considered good	1,088.50	590.15
(B)		
<b>Total</b>	<b>1,112.35</b>	<b>618.47</b>
(A+B)		

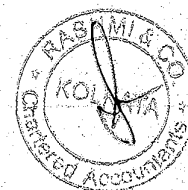
**Note 14 : Cash and Bank Balances**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Cash and Cash equivalents</b>		
Balance with Banks :-		
On Current Accounts	19.42	70.69
Cash on hand	2.86	3.98
Cheques in hand	1.46	-
	23.74	74.67
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 Months*	9.49	6.75
<b>Total:</b>	<b>33.23</b>	<b>81.42</b>

\* including ₹ 9.49 lacs ( ₹ 6.75 lacs) pledged with banks and others as margin money against borrowings / other facilities

**Note 15 : Other Current Assets**

	(₹ in lacs)	
	As at March 31, 2017	As at March 31, 2016
Duty Drawback Receivable	1.90	5.31
<b>Total:</b>	<b>1.90</b>	<b>5.31</b>



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 16 : Revenue from Operations**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Sales of products</b>		
Finished Goods	9,648.48	8,700.11
Scraps	216.33	337.72
<b>Other Operating Revenue</b>		
Conversion Charges	5.73	10.63
Export Incentives	70.48	81.52
<b>Revenue from Operations (Gross)</b>	<b>9,941.02</b>	<b>9,129.98</b>
Less: Excise Duty	815.51	693.39
<b>Revenue from Operations (Net)</b>	<b>9,125.51</b>	<b>8,436.59</b>

**Note 17 : Other Income**

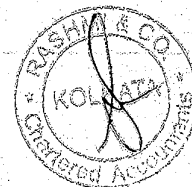
	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Interest on :</b>		
Fixed Deposits with Banks [Gross, Tax deducted at Source ₹ 0.18 lacs (₹ 2.34 lacs)]	3.66	20.31
Liabilities no longer required written back	-	2.86
Profit on sale of Short term Investments (other than trade)	0.05	0.00
Insurance Claims	-	0.44
Gain on Foreign Exchange Fluctuations (Net)	14.68	0.10
<b>Total:</b>	<b>18.39</b>	<b>23.71</b>

**Note 18 : Cost of Materials Consumed**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Opening Stock</b>	<b>83.15</b>	<b>731.64</b>
<b>Purchases</b>	<b>6,442.21</b>	<b>4,532.54</b>
	<b>6,525.36</b>	<b>5,264.18</b>
<b>Less: Closing Stock</b>	<b>673.99</b>	<b>83.15</b>
<b>Raw Materials Consumed</b>	<b>5,851.37</b>	<b>5,181.03</b>

**Consumption of Raw Material :**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Non Alloys Steel (Billet &amp; Ingot)</b>	<b>5,230.92</b>	<b>4,785.59</b>
<b>Alloys Steel (Billet &amp; Ingot)</b>	<b>620.45</b>	<b>395.44</b>
	<b>5,851.37</b>	<b>5,181.03</b>



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 19 : Changes in Inventories of Finished Goods**

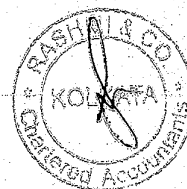
	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Opening Stocks :</b>		
Finished Goods	281.90	733.15
Scrap	11.94	7.77
	<u>293.84</u>	<u>740.92</u>
<b>Less:</b>		
<b>Closing Stocks :</b>		
Finished Goods	320.88	281.90
Scrap	13.17	11.94
	<u>334.05</u>	<u>293.84</u>
	<u>(40.20)</u>	<u>447.08</u>
(Increase) / Decrease in excise duty and cess on stocks	<u>(10.85)</u>	<u>(73.58)</u>
<b>Total</b>	<u>(51.05)</u>	<u>373.50</u>

**Stock of finished goods comprises:**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Opening Stock :</b>		
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
<b>Total:</b>	<u>293.84</u>	<u>740.92</u>
<b>Closing Stock :</b>		
Non Alloys Steel Round, Bar & Flat	313.23	281.52
Alloys Steels Round, Bar & Flat	7.65	0.38
Non Alloys Steel Scrap	12.57	11.26
Alloys Steel Scrap	0.60	0.68
<b>Total:</b>	<u>334.05</u>	<u>293.84</u>

**Note 20 : Employee Benefits Expense**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
Salaries, Wages, Bonus & Other Benefits	117.87	108.67
Contribution to Provident Fund & other fund	7.28	9.78
Staff Welfare Expenses	2.22	-
Directors remuneration	5.80	5.80
<b>Total:</b>	<u>133.17</u>	<u>124.25</u>



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 21 : Finance Costs**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
<b>Interest Expenses</b>		
On Cash Credit	115.50	164.10
On Others [Net of income of ₹ 271.46 lacs (₹ 112.74 lacs)]	432.54	597.54
<b>Finance charges</b>	8.71	38.33
<b>Total:</b>	<u>556.75</u>	<u>799.97</u>

**Note 22 : Other Expenses**

	(₹ in lacs)	
	Current year ended March 31, 2017	Previous year ended March 31, 2016
Consumption of Stores and Spares	1,583.41	1,102.99
Labour Charges	28.64	14.95
Power and Fuel	489.52	415.82
Repairs and Maintenance:		
- Plant and Machinery	24.99	21.00
- Buildings	0.17	-
- Others	5.15	4.29
Freight and Transportation	212.93	136.26
Rent and Hire	4.56	4.56
Discount Allowed	4.72	12.83
Rates and Taxes	1.46	1.47
Insurance	5.20	11.87
Advertisement	0.37	1.04
Brokerage and Commission	10.31	11.15
Travelling and Conveyance	51.95	30.34
Printing & Stationery	0.58	0.40
Telephone and Postage	2.20	0.81
Legal and Professional Charges	12.91	8.17
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	1.23	0.05
Charity and Donations	0.49	0.21
Security and Service Charges	13.78	11.50
Miscellaneous Expenses	73.10	76.69
Prior period expenses	-	3.58
<b>Total:</b>	<u>2,528.38</u>	<u>1,870.69</u>



**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

**Note 23: CONTINGENT LIABILITIES NOT PROVIDED FOR**

	<u>2016-2017</u> <u>Rs.lacs.</u>	<u>2015-2016</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	1111.44	984.09
c) Income Tax matters under dispute/appeal	19.98	19.98
d) Bank Guarantees outstanding	58.61	44.22

**Note 24: CAPITAL COMMITMENT**Total Capital Commitment outstanding at the year ended 31<sup>st</sup> March 2017 is Nil (₹ Nil) for coal mining.**Note 25: DEFERRED TAXATION**

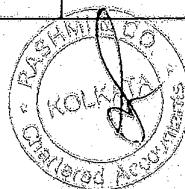
As per Accounting Standard -22 issued by The Institute of Chartered Accountants of India, deferred tax expenses and income has been recognized and adjusted by providing deferred tax liability as under

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March,2017	As at 31 <sup>st</sup> March,2016
	Deferred Tax Liabilities/(Assets)	Deferred Tax Liabilities/(Assets)
<b>Deferred Tax Liability</b>		
Timing difference on depreciable asset	112.74	116.98
	112.74	116.98
<b>Deferred Tax Assets</b>		
Provision/Expenses allowable in future under Income Tax Act.	4.06	3.07
	4.06	3.07
<b>Net Deferred Tax Liabilities /(Asset )</b>	<b>108.68</b>	<b>113.91</b>
Less: Provided till last year	112.72	114.41
<b>Increased in Deferred Tax Liability/(Assets)</b>	<b>(4.04)</b>	<b>(0.50)</b>

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

Particulars		31.03.2017	31.03.2016
Profit After Tax (Rs)	Rs. in lacs	20.98	20.32
Weighted average number of equity share	Number	10,535,000	10,535,000
Basic/Diluted Earning per Share	In Rupees	0.20	0.19



**CHANDI STEEL INDUSTRIES LIMITED****Notes to financial statements for the year ended March 31, 2017****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 31.03.2017.

**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 31<sup>st</sup> March 2017:****(₹ in lacs)**

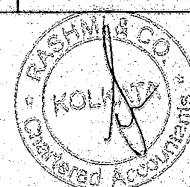
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Current service cost	3.25	3.13
Interest cost on benefit obligation	2.63	2.24
Expected return on plan assets	(1.81)	(1.67)
Net actuarial loss / (gain) recognized in the year	(5.23)	0.08
Total Expenses / (Income)	(1.16)	3.77

**II. Net Liability / (Assets) recognized in the Balance Sheet as at 31<sup>st</sup> March 2017:****(₹ in lacs)**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
Present value of Defined Benefits Obligation	33.41	33.45
Fair value of plan assets	21.43	20.32
<b>Net Assets /(liability)</b>	<b>(11.98)</b>	<b>(13.14)</b>

**III. Change in the present value of the defined benefit obligation during the year ended 31<sup>st</sup> March 2017:****(₹ in lacs)**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Present Value of Defined Benefit Obligation at the beginning of the year	33.46	29.19
Current Service Cost	3.25	3.13
Interest Cost	2.63	2.24
Actuarial Loss / (Gain)	(5.51)	(0.05)
Benefit Payments	(0.42)	(1.05)
<b>Present Value of Defined Benefits Obligation at the year end</b>	<b>33.41</b>	<b>33.46</b>





**CHANDI STEEL INDUSTRIES LIMITED**

Notes to financial statements for the year ended March 31, 2017

## IV. Change in the Fair Value of Plan Assets during the year ended 31st Mar 2017:

(₹ in lacs)

Particulars	2016-17	2015-16
Fair Value of Plan Assets at the beginning of the year	20.31	18.31
Expected Return on Plan Asset	1.81	1.67
Contribution by Employer	0.00	1.50
Actuarial Gains/ (Losses)	(0.27)	(0.12)
Benefit Payments	(0.42)	(1.05)
Fair Value of Plan Assets at the year end	21.43	20.31

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

Particulars	2016-17	2015-16
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	2016-17	2015-16
Discount Rate	7.20%	7.90%
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)

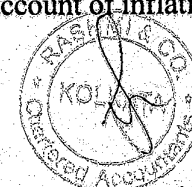
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Defined benefit obligation	33.41	33.46
Plan Assets	21.43	20.32
Surplus / (Deficit)	(11.98)	(13.14)
Experience Gain/ (Loss) Adjustments on plan liabilities	7.58	(0.28)
Experience Gain/ (Loss) Adjustments on plan assets	(.27)	(0.12)
Actuarial Gain / (Loss) due to change on assumptions	(2.07)	0.33

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

Note:

i. The Company expects to contribute ₹ 11.98 lacs to Gratuity Fund in 2017-18.

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, 2017**

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 ₹ 5.76 lacs (for 2015-16 ₹.5.28 lacs ) for provident funds 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	2016-17	2015-16
RAW MATERIAL	5851.37	5181.03
STORES & SPARES	1583.41	1102.99

**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**

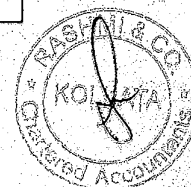
No amount has been incurred in Account of research and development expenditure.

**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	Enterprises owned or significantly influenced by Key Management Personal or their relatives
Jai Salasar Balaji Industries Pvt. Ltd.	
Balaji Ispat Udyog	
Jai Balaji Jyoti Steels Ltd.	
Jai Balaji Infotech Pvt. Ltd.	
Nilachal Iron & Power Ltd.	
Sri Devendra Prasad Jajodia	Managing Director
Sri Susanta Sarkar	Director
Sri Tushar Kanti Sarkar	Chief Financial Officer
Smt Seema Chowdhury	Company Secretary



**CHANDI STEEL INDUSTRIES LIMITED**

Balance Sheet as at March 31, 2017

**(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
<b>Associates</b>									
Jai Balaji Industries Limited	35.54 (7.11)	58.46 (146.28)		223.45 (249.48)	1,549.98 (1,613.78)	- -	(900.00) (-900.00)	- -	- -
Jai Salasar Balaji Industries (P) Ltd.	1,855.62 (1,691.21)	193.78 (274.79)	271.46 (112.74)	- -	- -	2,048.53 (1,632.28)	- -	- -	- -
Balaji Ispat Udyog	- -	- (4.40)	- -	3.25 (8.13)	- -	- -	- -	- -	- -
Jai Balaji Jyoti Steels Ltd.	- -	- -	- -	440.00 (440.00)	3,648.00 (3,434.59)	- -	- -	- -	- -
Jai Balaji Infotech Limited	- -	- -	- -	- -	- -	38.02 (13.05)	- -	- -	- -
Nilachal Iron & Power Ltd.	- -	- -	- -	- -	- -	- -	5,427.00 (5,427.00)	- -	- -
<b>Key Managerial Person</b>									
Devendra Prasad Jajodia	- -	- -	- -	- -	- -	- -	- -	4.20 (4.20)	- -
Susanta Sarkar	- -	- -	- -	- -	- -	- -	- -	1.60 (1.60)	- -
Vijay Singh	- -	- -	- -	- -	- -	- -	- -	0.12 (2.30)	- -
Seema Chowdhury	- -	- -	- -	- -	- -	- -	- -	6.72 (5.50)	- -
Tushar Kanti Sarkar	- -	- -	- -	- -	- -	- -	- -	3.33 -	- -
<b>Relatives of Key Managerial Person</b>									
Sangeeta Jajodia	- -	- -	- -	- -	- -	- -	- -	- -	0.96 (0.96)



**CHANDI STEEL INDUSTRIES LIMITED****Notes to financial statements for the year ended March 31, 2017**

**Note 33: Earnings in foreign currency transactions for the year**  
F.O.B Value of Exports ₹. 2400.71 lacs (₹ 2729.41 lacs).

**Note 34: Details of Borrowing cost Capitalized**  
Borrowing cost capitalized during the year Rs ₹ Nil lacs (₹ Nil lacs )

**Note 35: Details of Specified Bank Notes (SBN) held and transacted during the period from 08<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.**

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.16		Rs.375,200.00	Rs.375,200.00
(+) Permitted Receipts		Rs.220,000.00	Rs.220,000.00
(-) Permitted Payments		Rs.125,948.00	Rs.125,948.00
(-) Amount deposited in Banks		Rs.0.00	Rs.0.00
Closing Cash in hand as on 30.12.16		Rs.469,252.00	Rs. 469,252.00

**Note 36:** 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 29, 2017

**For and on behalf of the Board of Directors**

*P. Jajodia*  
**Devendra Prasad Jajodia**  
Managing Director

*Susanta Sarkar*  
**Susanta Sarkar**  
Director

*Seema Chowdhury*  
**Seema Chowdhury**  
Company Secretary

*Tushar Kanti Sarkar*  
**Tushar Kanti Sarkar**  
Chief Financial Officer