

Annual Report 2017-18



CHANDI STEEL INDUSTRIES LIMITED

CORPORATE INFORMATION

Fortieth Annual Report 2017-18

Board of Directors

Mr. Devendra Prasad Jajodia	-	Managing Director
Mr. Susanta Sarkar	-	Director
Ms. Swati Agarwal	-	Director
Mr. Sumit Kumar Rakshit	-	Director
Mr. Ashok Kumar Chourdary	-	Director

Chief Financial Officer

Tushar Kanti Sarkar

Company Secretary

Ms. Seema Chowdhury

Statutory Auditors

M/s. B. Y. Jatania & Co.

Chartered Accountants

C- Block Mercantile Buiding

9/12, Lal Bazar Street, Kolkata - 700 001

Registered Office

3, Bentinck Street

Kolkata - 700 001

CIN : L13100WB1978PLC031670

Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road

5th Floor, Kolkata - 700 001

West Bengal, India

Phone: 91-33-2243 5029

Email: mdpldc@yahoo.com

Plant Location

16, Belur Road

Liluah, Howrah

Website

www.chandisteel.com

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NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of the Members of Chandi Steel Industries Limited will be held on Thursday, 27th September, 2018 at 11:00a.m. at the Registered Office of the Company situated at 3, Bentinck Street, Kolkata – 700 001 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2018 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.

SPECIAL BUSINESS

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 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 20th August, 2018 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 2018-19, that may be required to be prepared and submitted by the Cost Auditors under applicable statute, be and is hereby confirmed.”

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 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, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall include any Committee thereof constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contracts, arrangements, transactions including material transactions with its related parties, in any

**NOTICE TO THE SHAREHOLDERS**

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 arm's 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 arm's length basis and in ordinary Course of business	150
Balaji Ispat Udyog (BIU)	BIU is a Proprietorship Firm in Director's brother is Proprietor	Purchase/Sale of goods/ materials on an arm's length basis and in ordinary Course of business	50
Jai BalajiJyoti Steels Limited (JBJSL)	JBJSL 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 arm's length basis and in ordinary Course of business, Corporate Guarantee given/ obtained	50
Jai Balaji Infotech Private Limited (JB IPL)	JB IPL is a Private Company in which one of the Director is a Member	Purchase/Sale of goods/ materials on an arm's length basis and in ordinary Course of business, Corporate Guarantee given/ obtained	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;

NOTICE TO THE SHAREHOLDERS

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.5

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

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Appointment and Remuneration of the Managerial Personnel)Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and also subject to the approval of the necessary statutory authorities,if required, approval of members of the Company be and is hereby accorded to the re-appointment of Shri Devendra Prasad Jajodia (holding DIN: 00045166), as Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2018 to 31st March, 2023 on the terms and conditions and remuneration as set out in the agreement of the re-appointment, as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Company be and are hereby authorized to alter and vary such terms of reappointment and remuneration from time to time as may be mutually agreed to between the Board of Directors and Shri Devendra Prasad Jajodia subject to the limits contained in the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to file necessary forms with the Registrar of Companies and to take further steps to give effect to this resolution and to do all such act, deeds and things as may be necessary and incidental thereto for the said purpose.”

Registered Office:
3, Bentinck Street,
Kolkata – 700 001
Place : Kolkata
Date : 20th August, 2018

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

Seema Chowdhury
Company Secretary



NOTICE TO THE SHAREHOLDERS

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. 3 to 5 to be transacted at the Fortieth 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 Friday, 21st September, 2018 to Thursday, 27th September, 2018 (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.

NOTICE TO THE SHAREHOLDERS

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 2017-18, circulated to the members of the Company, is also uploaded on the Company's website "www.chandisteel.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, 5th 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 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, 5th 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, 5th 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 2017-18 and the Notice of the Fortieth 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 Fortieth Annual General Meeting of the Company in the permitted mode.



NOTICE TO THE SHAREHOLDERS

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 Fortieth 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 2017-18 shall also be available on the website of the Company viz. “www.chandisteel.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 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 Participant.

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, 5th Floor, Kolkata – 700 001.

16. Securities and Exchange Board of India (SEBI) has 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. Also, as per SEBI notification number SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI (Listing Obligations And Disclosure Requirements) Regulations, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the demat form with a depository, except in case of transmission or transposition of securities. The same will be effective from December 05, 2018.
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

NOTICE TO THE SHAREHOLDERS

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 Monday, 24th September, 2018

End of e-voting: up to 5:00 p.m. on Wednesday, 26th September, 2018

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. Thursday, 20th September, 2018 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. **Thursday, 20th September, 2018**, he/she may write to the Registrar requesting for user id and password.
- d) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- e) Facility of voting through Ballot Paper shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting shall not be allowed to vote again at the meeting. However, members may attend the meeting and participate in the discussions, if any.
- f) Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case members cast their vote through both the mode, e-voting shall prevail and vote cast at Annual General Meeting shall be invalid.
- 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 **Thursday, 20th September, 2018**.
- h) A person who is not a member as on cut-off date should treat this notice for the information purpose only.



NOTICE TO THE SHAREHOLDERS

- i) The Board of Directors has appointed Ms. Premlata Soni, Practising Company Secretary, (Membership No. FCS: 4385), having its registered office at 55, Ezra Street, 2nd Floor, Room No. 4, Kolkata – 700 001, as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the remote e-voting process) and voting at the AGM in a fair and transparent manner.
- j) The scrutinizer shall after the conclusion of meeting count the votes cast at the meeting, thereafter unblock the votes casted by remote e-voting in the presence of at least 2 (Two) witnesses not in employment of the Company and within a period not exceeding 3 days from the conclusion of the meeting submit a consolidated report of voting (e-voting & ballot) of the total votes cast in favour or against, to the Chairman of the meeting, or any person authorized by the Chairman to counter-sign the same. The Chairman of the meeting or the person authorized by the Chairman shall declare the results of the voting forthwith.
- k) The results of e-voting will be communicated to the Stock Exchange where equity shares of the Company are listed viz. The Calcutta Stock Exchange Limited. Further, the results so declared along with the Scrutinizer's Report shall also be placed on the website of the Company as well as on the website of CDSL immediately after declaration of results by the Chairman or any person authorized by him in writing.
- l) M/s. B Y Jatania & Co., Chartered Accountants (Firm Registration No. 311010E), were appointed as Statutory Auditors of the Company to hold office from the conclusion of 39th Annual General Meeting of the Company held on 23rd September, 2017 till the conclusion of the 44th Annual General Meeting of the Company, subject to ratification by members every year as prescribed under the then prevailing provisions of the Companies Act 2013.

However, the ratification of such appointment is not proposed henceforth in terms of the Companies (Amendment) Act, 2017 whereunder the first proviso to Section 139(1), relating to ratification of statutory auditors has been omitted with effect from 7th of May, 2018.

Registered Office:
3, Bentinck Street,
Kolkata – 700 001
Place : Kolkata
Date : 20th August, 2018

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

Seema Chowdhury
Company Secretary

NOTICE TO THE SHAREHOLDERS

Annexure to the Notice

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

Item No. 3

On the basis of the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 20th August, 2018, 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 2018-19, 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 2018-19.

The Board of Directors, therefore, recommend the Resolution under item no. 3 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. 4

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, 2015, 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:

**NOTICE TO THE SHAREHOLDERS**

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.
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.
Jai Balaji Jyoti Steels Limited (JBJSL)	Shri Rajiv Jajodia	Shri Rajiv Jajodia, Brother of Shri Devendra Prasad Jajodia, Managing Director of Chandi Steel Industries Limited is Director of JBJSL.
Jai Balaji Infotech Private Limited	Shri Devendra Prasad Jajodia	Shri Devendra Prasad Jajodia is a Member of JSBIPL.
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 arm's 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 arm's 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. 4 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.

NOTICE TO THE SHAREHOLDERS

Item No. 5

Shri Devendra Prasad Jajodia, Managing Director of the company has a rich and varied experience in the Steel Industry and has been involved in the operations of the Company. He is B.E (Hons) Mechanical and has expertise in iron & steel industry. He is Director of the Company since 2007. It would be in the interest of the Company to continue the employment of Shri Devendra Prasad Jajodia as Managing Director of the company. Keeping in view the aforesaid fact, Shri Devendra Prasad Jajodia (holding DIN: 00045166) has been re-appointed as the Managing Director of the company by the Board of Directors at its meeting held on 14th February, 2018 with effect from 1st April, 2018 till 31st March, 2023 for a period of five years at proposed remuneration of Rs. 1,50,000 per month on the basis of recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders at the forthcoming Annual General Meeting.

The Board of Directors, therefore, recommend the Resolution under item no. 5 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 : 20th August, 2018

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

Seema Chowdhury
Company Secretary



NOTICE TO THE SHAREHOLDERS

Explanatory Statement Pursuant to section 102 of the Companies Act, 2013

The statement of particulars as per **Part B of Section II of Part II of Schedule V of the Companies Act, 2013** is as follows:

I. GENERAL INFORMATION

1) Nature of Industry	Iron & Steel Industry			
2) Date or expected date of commencement of commercial production	Year 1981			
3) In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
4) Financial performance based on given indicators	Particulars	Financial Year ended 31st March, 2018	Financial Year ended 31st March, 2017	Financial Year ended 31st March, 2016
	Total Income	18,150.60	9,959.41	8,460.30
	Profit/ (Loss) before tax	122.58	21.45	29.74
	Profit/ (Loss) after tax	79.84	14.34	19.16
5) Foreign investments or collaborators	NIL			

II. INFORMATION ABOUT SHRI DEVENDRA PRASAD JAJODIA

1) Background details	Shri Devendra Prasad Jajodia, son of Late Keshar Deo Jajodia, is presently the Managing Director of the company. He has done B.E in Mechanical and has a wide knowledge and experience in steel industry.
2) Past Remuneration	Rs. 150000/- p.m
3) Recognition or awards	Shri Devendra Prasad Jajodia is well known among industry circle as a highly successful entrepreneur.
4) Job profile and his suitability	Shri Devendra Prasad Jajodia has expertise knowledge in manufacture of steel of all grades.
5) Remuneration proposed	Rs. 1,50,000 per month

NOTICE TO THE SHAREHOLDERS

6) Comparative remuneration profile with respect to industry, size of the Company, profile of position and person	Remuneration proposed is commensurate to industry standards & profile of the candidate.
7) Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel	Shri Devendra PrasadJajodia holds 3,00,000 equity shares of the Company

III. OTHER INFORMATION

1) Reasons of inadequate profits or loss	<ul style="list-style-type: none"> - Fall in demand in the steel product, - High cost of raw material and cost of production. - Rising imports from other countries at cheaper rates and other economic factors
2) Steps taken or to be taken for improvement	Continuous efforts are being taken by the Management to improve the profitability and enhance productivity, cost reduction and sales growth.
3) Expected increase in productivity and profits in measurable terms	The management expects that with the continuous efforts the productivity and profits will grow at a realistic rate.

An abstract of the main terms and conditions of the re-appointment of Shri Devendra Prasad Jajodia, as the Managing Director of the Company and memorandum of concern or interest of the directors are given below:

Terms and Conditions of Re-appointment:

a) **SALARY:**

Rs. 1,50,000/- (Rupees One lac Fifty Thousand only) per month.

b) **PERQUISITES AND ALLOWANCES:**

i) **Medical Reimbursement**

Reimbursement of actual medical expenses incurred in India/abroad and including hospitalization/nursing home and surgical charges for himself and family as per the rules of the Company.

ii) **Leave travel concession**

For self and family as per rules of the Company.

iii) **Contribution to Provident Fund, Superannuation Fund and Annuity Fund**

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company.

iv) **Gratuity**

Payable as per rules of the Company.



NOTICE TO THE SHAREHOLDERS

v) Leave

Leave with full pay and allowances including encashment thereof as per rules of the Company.

Explanation

Perquisites shall be valued as per the Income Tax Rules, 1962 wherever applicable and in absence of any such Rules, perquisites shall be evaluated at cost.

c) AMENITIES:

i) Conveyance Facilities

The company shall, provide such other suitable conveyance facilities as may be required by the Managing Director for discharge of his duties.

ii) Telephone and other communication facilities

The Company shall provide telephone and other communication facilities to the Managing Director for official purposes

d) REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS

Where in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to applicable provisions of schedule V of the Companies Act, 2013.

Note:

Net profits for this purpose shall be as per computation of Net Profits under Section 198 of the Companies Act, 2013.

e) REIMBURSEMENT OF EXPENSES

Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Managing Director during the course of and in connection with the business of the Company.

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

NOTICE TO THE SHAREHOLDERS

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

Brief profile of Director Seeking appointment/re-appointment at the ensuing Fortieth Annual General Meeting

Name of Director	Shri Susanta Sarkar	Shri Devendra Prasad Jajodia
DIN	06449312	00045166
Date of Birth	15th October, 1970	1st June, 1948
Date of Appointment as Director	19th November, 2012	22nd December, 2007
Qualification	Higher Secondary, Draughtmanship (Mach. & Civil)	B.E. (Hons) Mechanical
Expertise in Specific functional area	Central and Excise	Steel Manufacturing of all the Grades
Membership of the Committees of the Board of Directors of the Company	NIL	NIL
Directorship held in any other listed Companies	NIL	NIL
Membership in the Committees of the Board of Directors of other Listed Entity in which he is a Director	Nil	NIL
No. of Equity Shares held in the Company	NIL	3,00,000
Inter-se Relationships between Director	None	None



NOTICE TO THE SHAREHOLDERS

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
- iii) Now click on “Shareholders” tab to cast your votes.
- iv) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
For Members holding shares in Physical Form: Members should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<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">If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in Physical form will then reach directly to the Company selection screen.

NOTICE TO THE SHAREHOLDERS

- x) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

- 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.
- xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.



NOTICE TO THE SHAREHOLDERS

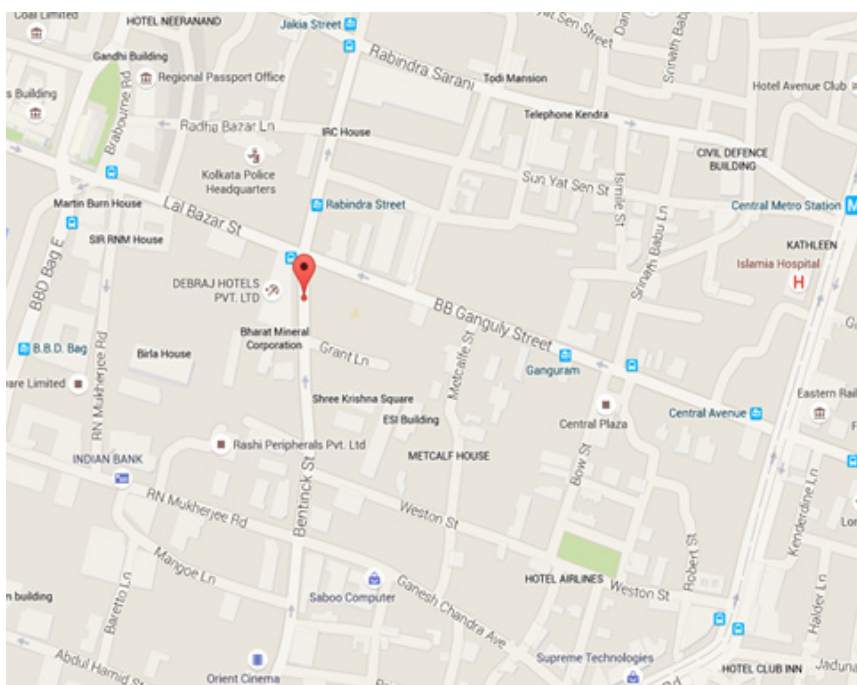
- After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

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

Route Map to the AGM Venue



3, Bentinck Street, Kolkata – 700 001

DIRECTORS' REPORT

Dear Members

Your Directors take pleasure in presenting the Fortieth Annual Report along with the summary of the Audited Financial Statement of your Company for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Financial Year ended 31st March, 2018	Financial Year ended 31st March, 2017
Revenue from Operations (Net) and Other Income	18,150.60	9,959.41
Less: Total Expenses	18,028.02	9,937.96
Profit/(Loss) before exceptional and extraordinary items and tax	122.58	21.45
Less: Exceptional items	-	-
Profit/(Loss) before extraordinary items and tax	122.58	21.45
Less: Extraordinary items	-	-
Profit before Tax (PBT)	122.58	21.45
Less: Current Tax Expenses (Net)	24.75	14.12
Deferred Tax	17.99	(7.01)
Total Tax Expense	42.74	7.11
Profit after Tax (PAT)	79.84	14.34
Earnings per share (excluding extraordinary items) (of Rs. 10/- each)		
Basic and Diluted	0.76	0.20

FINANCIAL PERFORMANCE AND STATE OF COMPANY AFFAIRS

The net revenue from operations and other income stands at Rs. 18,150.60 lacs in 2017-18 in comparison to Rs. 9959.41 lacs in 2016-17 and showed a growth of 82.25%. The Profit before Tax (PBT) for the year increased to Rs. 122.58 lacs as compared to Rs. 21.45 lacs in the previous year. The net profit of your Company for the year 2017-18 has been positively impacted on account of saleable steel production i.e. Rs. 79.84 lacs as compared to Rs. 14.34 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. 79.84 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 2017-18.

The Company has adopted Indian Accounting Standards ('IND AS') w.e.f. 1st April, 2017 and accordingly these Financial result along with the comparatives have been prepared in accordance with the recognition & measurement principles laid down as per IND AS 34 "Interim Reporting" as prescribed under Section 133 of The Companies Act, 2013 read with the relevant rules issued thereunder & the other Accounting Principles generally accepted in India.



DIRECTORS' REPORT

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 and/ or reappointment

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.

During the period under review, the Board of Directors of the company at its meeting held on 14th February, 2018, based on the recommendation of the Nomination and Remuneration Committee has reappointed Shri Devendra Prasad Jajodia (DIN: 00045166) as the Managing Director of the Company for further term of 5 years with effect from 1st April, 2018 subject to the approval of the Shareholders in the ensuing Annual General Meeting.

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.

Also, 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.

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

DIRECTORS' REPORT

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: "www.chandisteel.com".

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.chandisteel.com". 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 2017 -18 as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on arms length basis.

It is to be stated that the Company has entered into certain related party transactions as defined under Section 188(1) of the companies Act, 2013 and material related party transactions exceeding ten percent of the annual turnover as per the last audited financial statements. Approval for these related party transactions as stated above and defined under 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 23rd September, 2017. 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 14th February, 2018 in respect of related party transactions whose value does not exceed one crore per transaction.

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

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



DIRECTORS' REPORT

(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 "www.chandisteel.com". 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 2017-18, 8 (Eight) 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 14th April, 2017; 27th April, 2017; 29th May, 2017; 21st July, 2017; 12th August, 2017; 13th September, 2017; 14th November, 2017; and 14th February, 2018.

The detail and the number of board meetings attended by each Director during the financial year 2017-18 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 also hosted on the website of the Company viz "www.chandisteel.com".

AUDIT COMMITTEE

As on 31st March, 2018, 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.chandisteel.com".

DIRECTORS' REPORT

Your Company annually reviews any instances of fraud and mismanagement inside the affairs of the Company. During the year 2017-18, 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 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. We have selected such accounting policies and applied them consistently and made judgments and made estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the profit of the Company for the year ended on that date;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the financial year ended 31st March, 2018, 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.

RISK MANAGEMENT

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.chandisteel.com".



DIRECTORS' REPORT

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. B Y Jatania & Co., Chartered Accountants (Firm Registration No. 311010E), were appointed as Statutory Auditors of the Company to hold office from the conclusion of 39th Annual General Meeting of the Company held on 23rd September, 2017 till the conclusion of the 44th Annual General Meeting of the Company, subject to ratification by members every year as prescribed under the then prevailing provisions of the Companies Act 2013.

However, the ratification of such appointment is not proposed henceforth in terms of the Companies (Amendment) Act, 2017 whereunder the first proviso to Section 139(1), relating to ratification of statutory auditors has been omitted with effect from 7th of May, 2018.

The Auditors' Report to the shareholders for the financial year 2017-18 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 2016-17 with the Registrar of Companies, Ministry of Corporate Affairs in the prescribed form.

DIRECTORS' REPORT

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, 3rd Floor, Kolkata - 700 073, were appointed as the Internal Auditor at the meeting of the Board of Directors held on 15th May, 2018 for the Financial Year 2018-19 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.

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

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

DEPOSITS

During the year under review, your Company has not accepted/received any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2018. 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.



DIRECTORS' REPORT

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.

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

Sd/-

Devendra Prasad Jajodia

Managing Director

(DIN: 00045166)

Place : Kolkata

Date : 20th August, 2018

ANNEXURE 'A' TO THE DIRECTORS' REPORT

"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 arm's length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, which were not at arm's length basis.

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

Details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2018 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	10.02.2017	Nil
Jai Salasar Balaji Industries Private Limited (JSBIL) (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	10.02.2017	Nil



ANNEXURE 'B' TO THE DIRECTORS' REPORT

"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;
- 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.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

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
 - 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;



ANNEXURE 'B' TO THE DIRECTORS' REPORT

- 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;

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.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2018

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

To,
The Members,
Chandi Steel Industries Limited

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;



ANNEXURE 'C' TO THE DIRECTORS' REPORT

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is engaged in the business of manufacturing Alloy & Non-Alloy Steel Bars – round & flat, Alloy & Non-Alloy Steel scrap. No Act specifically for the aforesaid businesses is/are applicable to the Company:
4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for

ANNEXURE 'C' TO THE DIRECTORS' REPORT

systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

9. We further report that :

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **PS & Associates**

(Priti Todi)

Partner

Place : Kolkata

Date : 20th August, 2018

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



ANNEXURE 'A' TO THE DIRECTORS' REPORT

'Annexure A'

To,
The Members,
Chandi Steel Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PS & Associates**

(Priti Todi)
Partner

Place : Kolkata
Date : 20th August, 2018

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

ANNEXURE 'D' TO THE DIRECTORS' REPORT**"Annexure - D"****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L13100WB1978PLC031670
ii)	Registration Date	09.09.1978
iii)	Name of the Company	Chandi Steel Industries Limited
iv)	Category / Sub-Category of the Company	Public Limited Company Limited by Shares
v)	Address of the Registered office and contact details	3, Bentinck Street, Kolkata - 700 001 Phone : (91) (33) 2248 9808 Fax : (91) (33) 2243 0021 Email : chandisteelindustries@gmail.com Website : www.chandisteel.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) 2248 2248 / 2243 5029 Email : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Steel	24103	99.89%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
NIL					



ANNEXURE 'D' TO THE DIRECTORS' REPORT

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-2017]				No of Shares held at the end of the year [As on 31-March-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	50,39,998	0	50,39,998	47.82	50,39,998	0	50,39,998	47.82	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	700	0	700	0.00	700	0	700	0.00	0.00
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	50,40,698	0	50,40,698	47.82	50,40,698	0	50,40,698	47.82	0.00
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/Fi									
e) Any other									
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	50,40,698	0	50,40,698	47.82	50,40,698	0	50,40,698	47.82	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/Fi									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2017]				No of Shares held at the end of the year [As on 31-March-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)									
Sub-total(B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	51,74,100	58,300	52,32,400	49.64	51,74,100	58,300	52,32,400	49.64	0.00
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,702	1,49,900	1,60,602	1.52	10,702	1,49,900	1,60,602	1.52	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,06,300	0	1,06,300	1.01	1,06,300	0	1,06,300	1.01	0.00
c) Others (Specify)									
Non Resident Indians									
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	52,91,102	2,08,200	54,99,302	52.18	52,91,102	2,08,200	54,99,302	52.18	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	52,91,102	2,08,200	54,99,302	52.18	52,91,102	2,08,200	54,99,302	52.18	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,03,31,800	2,08,200	1,05,40,000	100.00	1,03,31,800	2,08,200	1,05,40,000	100.00	0.00



ANNEXURE 'D' TO THE DIRECTORS' REPORT

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year as on 01.04.2017			Shareholding at the end of the Year as on 31.03.2018			% 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	14,47,498	13.73	0.00	14,47,498	13.73	0.00	0.00
2	SHRI GAURAV JAJODIA	6,00,000	5.69	0.00	6,00,000	5.69	0.00	0.00
3	SMT. SANGEETA JAJODIA	6,00,000	5.69	0.00	6,00,000	5.69	0.00	0.00
4	SHRI AASHISH JAJODIA	5,56,500	5.28	0.00	5,56,500	5.28	0.00	0.00
5	SMT. KANCHAN JAJODIA	5,11,500	4.85	0.00	5,11,500	4.85	0.00	0.00
6	SHRI ADITYA JAJODIA	4,54,500	4.31	0.00	4,54,500	4.31	0.00	0.00
7	SHRI RAJIV JAJODIA	4,23,000	4.01	0.00	4,23,000	4.01	0.00	0.00
8	SHRI DEVENDRA PRASAD JAJODIA	3,00,000	2.85	0.00	3,00,000	2.85	0.00	0.00
9	SMT. SHASHI JAJODIA	1,47,000	1.39	0.00	1,47,000	1.39	0.00	0.00
10	JAI SALASAR BALAJI INDUSTRIES PVT. LTD.	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
	Total	50,40,698	47.82	0.00	50,40,698	47.82	0.00	0.00

Note : Pursuant to the Scheme of Amalgamation, Shri Jaikapish Steel Private Limited (holding 62,50,000 equity shares) and Shri Sankatmochan Steel Private Limited (holding 62,50,000 equity shares) has been amalgamated with Jai Salasar Balaji Industries Private Limited with effect from 1st April, 2016 (Appointed Date) vide order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 26th April, 2017 thus percentage of shareholding of Jai Salasar Balaji Industries Private Limited stands changed.

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

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year [1st April, 2017]		Change during the year			Cumulative Shareholding during the year [1st April, 2017 to 31st March, 2018]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
	During the Financial Year 2017-18, there has been no change in the shareholding of the Promoter/Promoter Group of the Company.							

ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year [1st April, 2017]		Change during the year			Cumulative Shareholding during the year [1st April, 2017 to 31st March, 2018]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	UMANG WEBTECH PRIVATE LIMITED							
	At the beginning of the year	5,02,700	4.77					
				Nil movement during the year				
	At the End of the year						5,02,700	4.77
2	NAYAN IMPEX PRIVATE LIMITED							
	At the beginning of the year	5,00,000	4.74					
				Nil movement during the year				
	At the End of the year						5,00,000	4.74
3	BHAVSAGAR VYAPAAR PRIVATE LIMITED							
	At the beginning of the year	4,99,300	4.74					
				Nil movement during the year				
	At the end of the year						4,99,300	4.74
4	HORA VANIJYA PRIVATE LIMITED							
	At the beginning of the year	4,75,000	4.51					
				Nil movement during the year				
	At the End of the year						4,75,000	4.51
5	KANAD EXIM LTD.							
	At the beginning of the year	4,50,000	4.27					
				Nil movement during the year				
	At the End of the year						4,50,000	4.27
6	SNAPSHOT DISTRIBUTORS PVT. LTD.							
	At the beginning of the year	4,37,800	4.15					
				Nil movement during the year				
	At the End of the year						4,37,800	4.15
7	DARSHAN BARTER PRIVATE LIMITED							
	At the beginning of the year	3,82,500	3.63					
				Nil movement during the year				
	At the End of the year						3,82,500	3.63



ANNEXURE 'D' TO THE DIRECTORS' REPORT

8	MARUTI STOCKFIN PVT. LTD							
	At the beginning of the year	3,69,000	3.50					
				Nil movement during the year				
	At the End of the year						3,69,000	3.5
9	VATSALYA DEALERS PVT. LTD							
	At the beginning of the year	3,50,700	3.33					
				Nil movement during the year				
	At the End of the year						3,50,700	3.33
10	HARSH SECURITIES PRIVATE LIMITED							
	At the beginning of the year	3,50,000	3.32					
				Nil movement during the year				
	At the End of the year						3,50,000	3.32

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, 2017]		Change during the year			Cumulative Shareholding during the year [1st April, 2017 to 31st March, 2018]	
		No. of shares	% of total Shares of the company	Date	Reason	No. of Shares	No. of shares	% of total Shares of the company
1	Devendra Prasad Jajodia (Managing Director)							
	At the beginning of the year	3,00,000	2.85					
				Nil movement during the year				
	At the End of the year						3,00,000	2.85
2	Shri Susanta Sarkar (Executive Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
3	Ms. Swati Agarwal (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
4	Shri Sumit Kumar Rakshit (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

ANNEXURE 'D' TO THE DIRECTORS' REPORT

5	Shri Ashok Kumar Choudhury (Non-Executive Independent Director)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
6	Smt. Seema Chowdhury (KMP, being Company Secretary)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00
7	Shri Tushar Kanti Sarkar (KMP, being Chief Financial Officer)							
	At the beginning of the year	0	0.00					
				Nil movement during the year				
	At the End of the year						0	0.00

V. INDEBTEDNESSIndebtedness of the Company including interest outstanding / accrued but not due for payment **(In Rs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2017)				
i) Principal Amount	7,51,58,805.82	39,15,34,756.05	–	46,66,93,561.87
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	7,51,58,805.82	39,15,34,756.05	–	46,66,93,561.87
Change in Indebtedness during the financial year				
1. Addition	–	–	–	–
2. Reduction	1,51,97,410.80	1,27,82,916.55	–	2,79,80,327.35
Net Change	(1,51,97,410.80)	(1,27,82,916.55)	–	(2,79,80,327.35)
Indebtedness at the end of the financial year (as on 31.03.2018)				
i) Principal Amount	5,99,61,395.02	37,87,51,839.50	–	43,87,13,234.52
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	5,99,61,395.02	37,87,51,839.50	–	43,87,13,234.52



ANNEXURE 'D' TO THE DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Devendra Prasad Jajodia (Managing Director)	Shri Susanta Sarkar (Professional Executive Director)	
1	Gross salary	18,00,000	1,92,664	19,92,664
	(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	Commission as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	18,00,000	1,92,664	19,92,664
	Ceiling as per the Act	In accordance with Schedule V of the Companies Act, 2013		

B. Remuneration to Other Directors :

(In Rs)

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

(in Rs)

II. Other Non-Executive/ Nominee Directors		
1	Fee for attending board / committee meetings	There were no Other Non-Executive/Nominee Directors in the Company during the year 2017-18
2	Commission	
3	Others, please specify	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration (A+B)	
	Overall Ceiling as per the Act	

ANNEXURE 'D' TO THE DIRECTORS' REPORT

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
	Gross salary	6,73,370	3,85,194	10,58,564
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
	Stock Option	—	—	—
	Sweat Equity	—	—	—
	Commision	—	—	—
	- as % of profit	—	—	—
	- others, specify	—	—	—
	Others, please specify	—	—	—
	Total (A)	6,73,370	3,85,194	10,58,564

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					

**ANNEXURE 'E' TO THE DIRECTORS' REPORT****"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 31ST MARCH, 2018 :

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	2017-18	2016-17
Inflows	6415.09	2400.71
Outgo	Nil	Nil

ANNEXURE 'F' TO THE DIRECTORS' REPORT**"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 31ST MARCH, 2018

- 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 (₹)	Median Remuneration of Employees (₹)	Ratio
1.	Shri Devendra Prasad Jajodia	18,00,000	1,39,308	12.92 times
2.	Shri Susanta Sarkar	1,92,664		1.38 times
3.	Shri Ashok Kumar Choudhary	0		0
4.	Shri Sumit Kumar Rakshit	0		0
5.	Smt. Swati Agarwal	0		0

- 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:**

In the financial year under review, there has been an increase in the remuneration of the Shri Devendra Prasad Jajodia , Managing Director, Shri Susanta Sarkar, Director and Shri Tushar Kanti Sarkar, Chief Financial Officer by 328.57% , 20.54% and 15.69% respectively. There has been no change in the remuneration of the Company Secretary 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 22.05%.

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

There were 128 employees on the rolls of the Company as on 31st March, 2018.

- 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 18% whereas average increase in the managerial remuneration was 91%.

The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.

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



CORPORATE GOVERNANCE REPORT

Report of the Directors on Corporate Governance

Corporate governance is the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and includes the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders.

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 behaviour. 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 ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

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 31st March, 2018, the Board consists of 5 directors, comprising of :

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

CORPORATE GOVERNANCE REPORT

The detailed composition of the Board as on 31st March, 2018 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

None of the Independent Directors of the Company 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 www.chandisteel.com 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 2017-18, 8 (Eight) meetings of the Board were held viz., 14th April, 2017; 27th April; 29th May, 2017; 21st July, 2017; 12th August, 2017; 13th September, 2017; 14th November, 2017 and 14th February, 2018. The maximum time gap between two consecutive board meetings did not exceed one hundred and twenty days and the necessary quorum was present at all the meetings.

The details of Board Meeting held and attendance of each Director at the Board meetings during the financial year 2017-18 and at the last Annual General Meeting held on 23rd September, 2017 are listed below :

Name of Directors	No. of Board Meetings attended	Whether attended last AGM
Shri Devendra Prasad Jajodia	8	Yes
Smt. Swati Agarwal	8	Yes
Shri Susanta Sarkar	8	Yes
Shri Ashok Kumar Choudhary	8	Yes
Shri Sumit Kumar Rakshit	8	Yes

Ms. Seema Chowdhury, Company Secretary of the Company was present at all meetings of the Board of Directors held during the financial year 2017-18 and at the last Annual General Meeting of the



CORPORATE GOVERNANCE REPORT

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 31st March, 2018 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.

*** 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.

There were no changes in directorship or committee membership in any other company of the Board members. 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 31st March, 2018.

● 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 including

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the fulfilment of the independence criteria and independence of independent directors from the management. 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.

Performance Evaluation Criteria

The Board Evaluation policy provides a framework and set standards for the evaluation of the Board as a whole, its committees and individual directors. Following are the major criteria applied for performance evaluation of the Independent Directors :

i) Professional qualification & experience; ii) Level of integrity & confidentiality; iii) Availability for meetings and preparedness; iv) Understanding of governance, regulatory, legal, financial, fiduciary, ethical requirements; v) Knowledge of the Company's key activities, financial condition and key developments; vi) Contributes to the strategic planning process and value addition to the Company; vii) Ability to work as a team; viii) Independence & Conflict of interest; ix) Adherence to ethical standards & code of conduct.

The Directors expressed their satisfaction with the evaluation process.

● Separate Meeting of Independent Director

During the year 2017-18, 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 14th February, 2018 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.
- 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 14th February, 2018.

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 the website of the Company i.e www.chandisteel.com



CORPORATE GOVERNANCE REPORT

● Shareholding of Non-Executive Directors

None of the Non-executive Directors held shares as on 31.03.2018.

The Company has not issued any convertible instruments during the year 2017-18.

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 31st March, 2018, the Company had following committees - Audit Committee, Nomination & Remuneration Committee (formerly known as Remuneration Committee) and Stakeholders' Relationship committee (formerly known as Share Transfer Cum Investors' Grievance Committee). Composition of various committees of the Board of Directors is also hosted on the website www.chandisteel.com

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 31st March, 2018 and the related attendance are as follows :

❖ 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;

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- 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;
 - 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;



CORPORATE GOVERNANCE REPORT

- Internal Audit Reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1)
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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 31st March, 2018, 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 2017-18, 5 (Five) meetings of the Audit Committee were held viz., 29th May, 2017; 12th August, 2017; 13th September, 2017; 14th November, 2017 and 14th February, 2018. The maximum time gap between two consecutive audit committee meetings did not exceed 120 days. 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 all the meetings during the year under review.

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 Ninth Annual General Meeting of the Company held on 23rd September, 2017.

❖ 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 Companies Act, 2013.

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

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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 31st March, 2018, 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.

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 2017-18, 4 (Four) meetings of the committee was held viz., 14th April, 2017; 29th May, 2017; 12th August, 2017 and 14th February, 2018.

All the member directors viz. Smt. Swati Agarwal, Chairman of the Committee, Shri Sumit Kumar Rakshit and Shri Ashok Kumar Choudhary has attended all the meetings held on various dates during the year.

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.



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● Criteria of payments :

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

➤ Executive Directors :

The Company pays remuneration by way of salary as a fixed component. As on 31st March, 2018, 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 mentioned in the agreement of Shri Devendra Prasad Jajodia which includes his tenure for 5 years as effective from 1st April, 2018.

During the year 2017-18, the remuneration paid to Shri Devendra Prasad Jajodia was Rs. 150,000/- p.m. pursuant to the authority granted to the Board by the members of the Company at its Annual General Meeting held on 23rd September, 2017 and the said remuneration is within the limits as specified under Section 197 read with Part B of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

(Rs.)

Name of the Directors	Salary	Benefits / Allowances, etc. (fixed component)	Total
Shri Devendra Prasad Jajodia	18,00,000	Nil	18,00,000
Shri Susanta Sarkar	1,82,740	Nil	1,82,740
Total	19,82,740	Nil	19,82,740

➤ Non-Executive Directors

The Non-Executive Directors have waived-off their sitting fees. 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 known as 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;

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- To oversee the performance of the Registrar & Share Transfer Agents;
- 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 31st March, 2018, 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 2017-18, 4 (Four) meetings of the Stakeholders' Relationship Committee were held viz., 29th May, 2017; 13th September, 2017; 14th November, 2017 and 14th February, 2018.

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

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

Number of shareholders complaints pending as on 1st April, 2017 : NIL

Number of shareholders complaints received during the year ended 31st March, 2018 : NIL

Number of shareholders complaints not solved to the satisfaction of the shareholders : NIL

Number of shareholders complaints pending as on 31st March, 2018 : NIL

It is confirmed that there was no request for registration of share transfers/ transmission lying pending as on 31st March, 2018 and that all request for issue of new certificates, sub-division or consolidation of shareholding, etc, received up to 31st March, 2018 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.

4. GENERAL BODY MEETINGS

❖ Annual General Meeting (AGM)

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

Financial Year	Date	Time	Location
2016-17	Saturday, 23rd September, 2017	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2015-16	Friday, 30th September, 2016	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001
2014-15	Tuesday, 29th September, 2015	11:00 A.M.	Registered Office: 3, Bentinck Street, Kolkata – 700 001



CORPORATE GOVERNANCE REPORT

❖ 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.

2016-17	i. Continuation of Devendra Prasad Jajodia (DIN:00045166) as Executive Managing Director of the Company, who will be attaining the age of 70 years on 1st June, 2018.
2015-16	i. To issue and allot 2,00,000 Zero Coupon, Unsecured, Unlisted, Non-Convertible Debentures on conversion of advance into debentures.
2014-15	i. To enter into contracts, arrangements, transactions including material transaction with its related parties under Section 188 of the Companies Act, 2013.

❖ Special Resolution passed through postal ballot during financial year 2017-18

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.

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.chandisteel.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.

CORPORATE GOVERNANCE REPORT

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

6. GENERAL SHAREHOLDER INFORMATION

40th Annual General Meeting	Day/Date : Thursday, 27th September, 2018 Time : 11:00 a.m. Venue : 3, Bentinck Street, Kolkata – 700 001								
Date of book closure	The Register of Members and Share Transfer Book shall remain closed from Friday, 21st September, 2018 to Thursday, 27th September, 2018.								
Financial calendar (tentative schedule) for the year 2018-19	1st April, 2018 to 31st March, 2019 The probable dates for submission of the Financial Results for the financial year 2018-19: <table border="1"> <tr> <td>1st Quarter Results</td><td>On or before 14th Aug, 2018</td></tr> <tr> <td>2nd Quarter Results</td><td>On or before 14th Nov, 2018</td></tr> <tr> <td>3rd Quarter Results</td><td>On or before 14th Feb, 2019</td></tr> <tr> <td>Annual Results</td><td>On or before 30th May, 2019</td></tr> </table>	1st Quarter Results	On or before 14th Aug, 2018	2nd Quarter Results	On or before 14th Nov, 2018	3rd Quarter Results	On or before 14th Feb, 2019	Annual Results	On or before 30th May, 2019
1st Quarter Results	On or before 14th Aug, 2018								
2nd Quarter Results	On or before 14th Nov, 2018								
3rd Quarter Results	On or before 14th Feb, 2019								
Annual Results	On or before 30th May, 2019								
Date of Dividend payment	N.A.								
Listing on stock exchanges	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001 The Listing Fees as applicable have been paid								
Stock code	10013341								
Depositories	National Securities Depository Limited Trade world, 4th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 001 Annual Custodial Fees pertaining to year 2018-19 have been duly paid.								

**CORPORATE GOVERNANCE REPORT**

Demat International Security Identification Number (ISIN) in NSDL and CDSL	INE204G01017
Corporate Identification Number (CIN)	L13100WB1995PLC031670

- Registrar and Share Transfer Agent**
 Maheshwari Datamatics Pvt. Ltd.
 Corporate Office: 23 R.N Mukherjee Road, 5th 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 31st March, 2018**

1	Category	No. of Shareholders	No. of shares held	As a %age of A+B+C
A	Promoter and Promoter Group Holding			
	Indian	11	5,040,698	47.82
	Foreign	Nil	NIL	NIL
	Total Promoter Shareholding (A)	11	5,040,698	47.82
B	Public Holding			
	Institutions	Nil	Nil	Nil
	Non-Institutions	653	54,99,302	52.18
	Total Public Shareholding (B)	653	5,499,302	52.18

CORPORATE GOVERNANCE REPORT

C	Shares held by Custodian & against which Depository receipts have been issued (C)	Nil	NIL	NIL
	Grand Total (A+B+C)	664	10,540,000	100.00

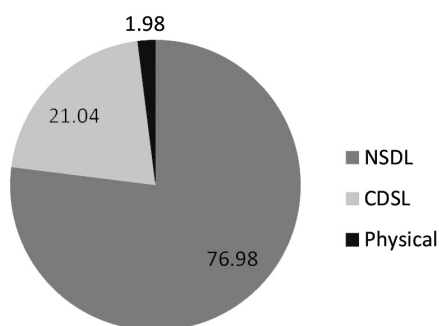
- Distribution of Shareholding as on 31st March, 2016**

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

- Dematerialization Of Shares And Liquidity as on 31st March, 2018**

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, 5th Floor, Kolkata- 700 001. As at 31st March, 2018 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 81,14,100 representing 76.98% of the total paid-up equity share capital were held with NSDL and 22,17,700 representing 21.04 % 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.



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

The Company has not issued any GDRs/ADRs/Warrants/Convertible Instruments in the past and hence as on 31st March, 2018, the Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments.



CORPORATE GOVERNANCE REPORT

- **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

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 www.chandisteel.com.

The Company has entered into certain material related party transactions with its related parties which are continuing beyond 31st March, 2018 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 39th Annual General Meeting of the Company held on 23rd September, 2017. 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 10th February, 2017 obtained omnibus approval of the Committee for all related party transactions subject to their value not exceeding Rs.1 (One) crore per transaction valid upto a period of 1 (One) year from the date of such approval pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company at its meeting held on 14th February, 2018 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**

CORPORATE GOVERNANCE REPORT

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 www.chandisteel.com

- **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 www.chandisteel.com 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 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.chandisteel.com". These information 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.



CORPORATE GOVERNANCE REPORT

- **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 2017-18 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. B. Y. Jatania & 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 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.chandisteel.com" 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 www.chandisteel.com .

- **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 2017-18.

- **Subsidiary Companies**

The Company does not have any wholly owned subsidiaries as on 31st March, 2018.

- **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)

CORPORATE GOVERNANCE REPORT

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.chandisteel.com.

- **Reconciliation of Share Capital Audit**

The Company has engaged Smt. Premlata 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

Devendra Prasad Jajodia

Managing Director

(DIN: 00045166)

Place: Kolkata

Date : 20th August, 2018



CORPORATE GOVERNANCE REPORT

Declaration

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that a Code of Conduct has been laid down by the Board of Directors of Chandi Steel Industries Limited, which has been made applicable to all the Directors and the Senior Management Personnel of the Company.

The Code of Conduct has been affirmed to by all the members of the Board and the Senior Management Personnel of the Company for the year ended 31st March, 2018.

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

Place: Kolkata
Date : 20th August, 2018

Devendra Prasad Jajodia
Managing Director
(DIN: 00045166)

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of
CHANDI STEEL INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by Chandi Steel Industries Limited for the year ended 31st March, 2018 as stipulated in Regulation 34(3) read with Clause E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulation").

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

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

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

Place : Kolkata
Date : 20th August, 2018

For **PS & Associates**
(Priti Todi)
Partner
C.P.No.: 7270, ACS: 14611

CORPORATE GOVERNANCE REPORT

CEO AND CFO CERTIFICATION

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors

Chandi Steel Industries Limited

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

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company, for the financial year ended 31st March, 2018 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 : 15.05.2018

Devendra Prasad Jajodia

Managing Director

DIN – 00045166

Tushar Kant

Chief Financial Officer



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

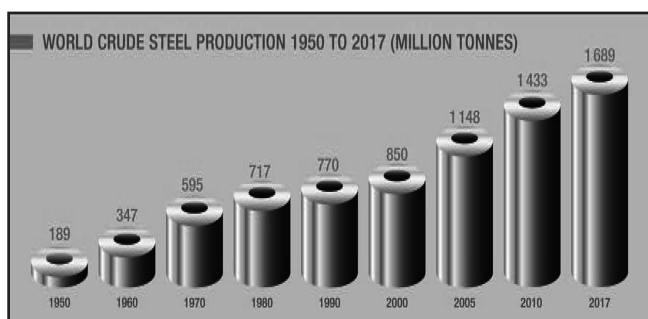
COMPANY PROFILE

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

Steel is at the core of a green economy. A healthy economy needs a healthy steel industry. According to World Steel Association, the steel industry is the second biggest industry in the world after oil and gas with an estimated global turnover of 900 billion USD.

According to World Steel Association, 2017 saw an improvement in global steel consumption, which grew 4.7% to 1.59 billion tonnes in the year, after a subdued growth of 1% in 2016. A low base-effect of 2016, along-with improved steel consumption in China and investment-led recovery in advanced economies were the key factors driving this momentum. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Consumption in Europe (other than EU) too gathered pace in the year and grew 2.5% with other countries like US with 6.4%, Brazil 5.3%, Iran 4.5% follow the growth trajectory of rising global steel demand.

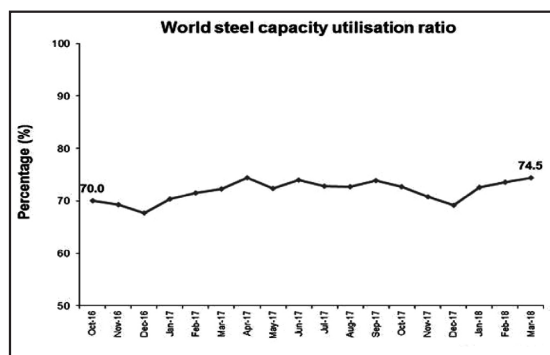


World crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1689 million tonnes, as most economies registered good growth in steel production. Annual production grew between 4% and 6% for major economies of China, India, European Union and USA, among others. Turkey, South America and Brazil witnessed the highest growth in steel production at 13.1%, 8.7% and 9.9% respectively.

According to the report of World Steel Association, world crude steel production was 426.6 Mt in the first three months of 2018, up by 4.1% compared to the same period in 2017. The crude steel capacity utilisation ratio of the 64 countries in March 2018 was 74.5%. This is 2.2 percentage points higher than March 2017. Compared to February 2018, it is 0.9 percentage points higher.

INDUSTRY STRUCTURE & DEVELOPMENTS

The Iron and Steel Industry is one of the most important industries in India. India was the third largest producer of raw steel and the largest producer of sponge iron in the world. The growth in the Indian Steel sector has been



Source: worldsteel

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

driven by domestic availability of raw materials such as iron ore and cost-effective labour. The Indian Steel Industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernization and up-gradation of older plants and higher energy efficiency levels.

India was the 3rd largest crude steel producer during 2017 and recorded a production of 101.4 million tonnes with growth of 6.18% over 2016, accounting for 9% of Asian and 6% of world crude steel production during January - December 2017.

Trends and Developments in Indian Steel Sector

- India is currently the world's 3rd largest producer of crude steel and is expected to become the 2nd largest producer of crude steel in the world soon.
- India is the largest producer of direct reduced iron (DRI) or sponge iron in the world.
- The country is also the 3rd largest consumer of finished steel in the world preceded by China and the USA [source: world steel association].
- During January-December 2017, the country's crude steel production crossed the 100 million tonne (million tonnes) mark for the first time in history, reaching 101.371 million tonnes (provisional; source: JPC), a growth of 6.18% over same period of 2016.
- The steel sector contributes to over 2% of the country's GDP and employs around 25 lakhs employed in steel/allied sectors.

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

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

OPPORTUNITIES

India's status as a major player in the global steel industry is well acknowledged. The fast growing economy has welcomed multiple opportunities for an Industry to develop. The Steel Industry is evolving itself to become a global leader in terms of product quality and overall efficiency. Growing demand in the construction, automobile and railway sectors supported by government policies and its favourable measures has resulted in and is continuously causing a rise in investments in the steel industry.

The major consumer of Steel, the automobile industry, is expected to increase in size in near future. With the increasing capacity addition, the demand of steel from this sector is expected to be robust. The capital goods sector accounting for more than 11% of the steel consumption is also expected to grow and generate greater demand. The increase in investment by the Government in the infrastructure spending will positively push the requirement of steel. The Government is setting up projects to enhance and modernise the Indian Railway, this project will actively and enormously require steel consumption. Further large scope of development is being eyed upon not only in the stated sectors but in all other sectors such as natural gas, powers etc.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

Threats, risks and concern

The Industry is largely dependent on raw material and bulk movement. Raw material which accounts for about 30-50 percent of the total cost of steel production, including iron ore, coke lime, ferro-alloys and refractories etc. is met by importing. A key imperative for Indian Steel Industries are ensuring sufficient raw material to meet the Industry's current production level and future growth trajectory. Indian Steel industry is facing difficulties and delays caused due to inadequate infrastructure for transportation and handling bulk raw materials. Most of the unit does not have proper connectivity through rail network to mines and ports.

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 longevity of steel products could be attributed as one of the reasons for this low demand. The long life of steel products, a minimum of 10 years depending on the product, pushes the industry to go through a cyclic phase once every 5 to 6 years. China's overproduction of steel worsened this situation, leading to the country dumping its excess inventories in other countries at low prices as a result of decreased domestic demand. Anti-dumping tariffs are now being imposed by countries such as Europe and the United States to promote local steel manufacturing. However, there are oppositions to such policies because they could disrupt global trade and relationships.

The industry by nature is capital intensive and requires high capital, by various modes, increasing cost of borrowing remains one of the major concerns for the group and industry as a whole. The steel industry is further challenged by dwindling investments, turbulence in the financial market and geopolitical conflicts in many developing regions.

Outlook

Global growth is on an upswing and is expected to reach 3.9% in 2018 supported by strong momentum, favourable market sentiments, accommodative financial conditions and the domestic and international effects of the expansionary fiscal policies. The global GDP is expected to increase to \$88 trillion. Both advanced economies and emerging market are expected to see a rise in growth figures in the near term before stabilisation in the medium-term.

The Global Economic Prospects report released by the World Bank projects that India will see its gross domestic product (GDP) grow at a rate of 7.3 per cent during the fiscal 2018-19 and at 7.5 per cent in

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

the two succeeding ones.

India is expected to experience sustained growth in short to medium term driven by growth in steel consuming sectors, revival of rural demand, increased spending on infrastructure amongst others.

According to International Monetary Fund (IMF), India is likely to record a robust GDP growth of 7.4% in F.Y. 2018-19. This growth will be driven by structural and wide ranging reforms such as Goods and Services tax (GST) to widen the indirect tax base, digitization of the economy improving business ecosystem, thrust on infrastructure development and a liberal FDI regime.

The Company expects to take advantage of the growth opportunity provided by the Indian economy. Further, India's iron ore reserves and competitive labour costs give steel manufacturers based in the country a distinctive cost advantage.

Steel is a completely recyclable material making it ideal for achieving a circular economy in India. The Company will seize the opportunity to create an organised circular economy system for steel recycling. Further, the conducive government stance towards the steel industry through policies focusing on 'Make in India' and Smart City Mission reinforces India's stance as an attractive place for the steel industry.

FINANCIAL PERFORMANCE

During the year under review the Company has earned revenue comprising of sales and other income of Rs. 18,150.60 lacs as compared to 9959.41 lacs in the previous year registering a growth of 82.2%. The Profit before Tax also recorded a growth and reached to 122.58 lacs as against Rs. 21.45 lacs in the previous year. The Net Profit for the year under review was Rs. 79.84 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 an adequate system of internal controls in all spheres of its operations which are commensurate with the size and the nature of its business. Your Company has in place adequate controls on resource utilization, and provision of accurate and speedy financial statements. Your Company ensures compliance with policies and procedures and other statutory and legal obligations on an ongoing basis. The Company has an Audit Committee to continuously monitor the adequacy and effectiveness of the internal control environment across your company. Internal control is supplemented by effective and independent internal audit. Management regularly reviews the findings of the Internal Auditors and ensures effective implementation of suggestions/observations of the Internal Auditors. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal and the Statutory Auditors.

HUMAN RESOURCES

The Company believes in the values of "human resources" and realizes 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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

organizational resources effectively and efficiently.

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

Cautionary Statement

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

For and on behalf of the Board

Devendra Prasad Jajodia
Managing Director
(DIN : 00045166)

Place : Kolkata
Date : 20th August, 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of **Chandi Steel Industries Limited**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Chandi Steel Industries Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the companies (Indian Accounting Standard) rules 2015(as amended) under Section 133 of the Act . This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 Ind AS 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 of the Ind AS Financial Statement 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



INDEPENDENT AUDITORS' REPORT

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 Ind AS 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 Ind AS standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, and its total comprehensive income (comprising of Profit & other Comprehensive income), its cash flows and the change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 (including other comprehensive income), the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 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:

INDEPENDENT AUDITORS' REPORT

- i) The Company has disclosed the impact of pending litigations on its financial position in its statements – Refer Note 30 to the Ind AS financial statements:
- ii) The Company has made provision, as required under the applicable law or Indian 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 reporting on disclosures relating to specified Bank notes is not applicable to the company for the year ended 31st March 2018.

For, B Y Jatania & Co.

Chartered Accountant

FRN- 0311010E

CA Yaswant Kumar Jatania

(Partner)

Place: Kolkata

Dated:

Membership No. 050031

“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 Ind AS financial statements for the year ended March 31, 2018, 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. 2188.54 lacs and the period- end balance in respect of such loan is Rs.858.04 lacs.

**INDEPENDENT AUDITORS' REPORT**

- (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 year end 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	1.79	2010-11 to 2014-15	Commissioner Pending for adjournment
Central Excise Act, 1944	CENVAT Credit Disallowed	14.93	2008-09	Commissioner (Appellate)

INDEPENDENT AUDITORS' REPORT

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	Irregular Availment of Service Tax Credit	333.77	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	280.44	2005-06, 2009-10, 2010-11	West Bengal Appellate and Revision Board.
The Central Sales Tax Act, 1956	Pending Forms	52.64	2008-09, 2009-10 , 2010-11 and 2014-15	West Bengal Appellate and Revision Board.

- (c) In our opinion and according to the information and explanations given to us, and there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly paragraph 3(ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given to us, no materials fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS 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.



INDEPENDENT AUDITORS' REPORT

- (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.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For, B Y Jatania & Co.

Chartered Accountant

FRN- 0311010E

CA Yaswant Kumar Jatania

(Partner)

Membership No. 050031

Place: Kolkata

Dated:

“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, 2018 in conjunction with our audit of the standalone financial Ind AS 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.

INDEPENDENT AUDITORS' REPORT

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2018, 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, B Y Jatania & Co.

Chartered Accountant

FRN- 0311010E

CA Yaswant Kumar Jatania

(Partner)

Membership No. 050031

Place: Kolkata

Dated:



BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lacs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
a) Property, plant and equipment	3.1	1,640.32	1,345.68	1,334.62
b) Capital work-in-progress	3.2	3,625.38	3,625.38	3,625.38
c) Financial assets				
i) Loans	4	6.93	6.88	8.29
d) Deferred tax assets (Net)		-	-	-
e) Other non-current assets	5	24.75	16.97	11.72
		5,297.38	4,994.91	4,980.01
Current assets				
a) Inventories	6	1,937.60	1,254.67	428.85
b) Financial assets				
i) Trade receivables	7.1	2,127.10	1,093.24	603.52
ii) Cash and Cash equivalents	7.2	14.53	24.75	74.67
iii) Bank balance other than (ii) above	7.3	9.06	8.47	6.75
iv) Loans	7.4	152.23	2,168.53	1,711.97
c) Current tax asset	8	7.71	28.98	16.57
d) Other current assets	9	1,369.33	1,363.20	907.85
		5,617.56	5,941.84	3,750.18
Total Assets		10,914.94	10,936.75	8,730.19
EQUITY AND LIABILITIES				
a) Equity Share capital	10	1,053.62	1,053.62	1,053.62
b) Other equity	11	558.28	478.44	460.33
		1,611.90	1,532.06	1,513.95
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	269.05	245.36	17.92
b) Deferred tax liabilities (Net)	13	120.77	102.77	108.10
c) Provisions	14	2.81	11.98	13.14
		392.63	360.11	139.16
Current liabilities				
a) Financial liabilities				
i) Borrowings	15.1	4,091.16	4,399.59	4,169.42
ii) Trade Payables	15.2	4,137.63	3,976.79	2,680.58
iii) Other financial liabilities	15.3	95.94	68.02	71.52
b) Other current liabilities	16	545.20	580.16	154.67
c) Provisions	17	40.48	20.02	0.89
		8,910.41	9,044.58	7,077.08
Total Equity and liabilities		10,914.94	10,936.75	8,730.19

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **B Y JATANIA & CO.**
Firm Regn. No. 0311010E
Chartered Accountants

Devendra Prasad Jajodia
Managing Director
(DIN : 00045166)

Tushar Kanti Sarkar
Chief Financial Officer

CA Yaswant Kumar Jatania
Partner
Membership No. 050031
Place : Kolkata
Date : May 15, 2018

Seema Chowdhury
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

	Particulars	Note	Year ended 31 March, 2018	Year ended 31 March, 2017
I.	Revenue from operations	18	18,130.79	9,941.02
II.	(a) Other Income	19.1	1.92	3.66
	(b) Other Gains/(losses)-net	19.2	17.89	14.73
III.	Total income(I+II)		18,150.60	9,959.41
IV.	EXPENSES			
	Cost of material consumed	20	12,066.58	5,851.37
	Change in inventories of finished goods, stock in trade and work -in-progress	21	43.03	(51.06)
	Excise Duty	22	264.80	815.51
	Employee benefit expense	23	283.41	138.62
	Finance costs	24	124.17	556.75
	Depreciation and amortization expense	25	131.44	94.22
	Other expenses	26	5,114.59	2,532.55
	Total expense (IV)		18,028.02	9,937.96
V.	Profit/(loss) before exceptional items and tax (III-IV)		122.58	21.45
VI.	Exceptional items		-	-
VII.	Profit/(loss) before tax (V-VI)		122.58	21.45
VIII.	Tax expense:	27		
	(1) Current tax		24.75	14.12
	(2) Deferred tax		17.99	(7.01)
IX.	Profit/(loss) for the year (VII-VIII)		79.84	14.34
X.	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss		-	5.45
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1.68)
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total Other Comprehensive Income X(A+B)		-	3.77
XI.	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		79.84	18.11
XII.	Earnings per equity share :			
	Basic & Diluted		0.76	0.2

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **B Y JATANIA & CO.**
Firm Regn. No. 0311010E
Chartered Accountants

Devendra Prasad Jajodia
Managing Director
(DIN : 00045166)

Tushar Kanti Sarkar
Chief Financial Officer

CA Yaswant Kumar Jatania
Partner
Membership No. 050031
Place : Kolkata
Date : May 15, 2018

Seema Chowdhury
Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 01 April, 2016	1,053.62
Changes in equity share capital during the year	-
Balance as at 31 March, 2017	1,053.62
Changes in equity share capital during the year	-
Balance as at 31 March, 2018	1,053.62

B. Other Equity

(₹ in Lakhs)

As at March 31, 2018

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Capital Reserve	Retained Earnings		
Balance at 31 March 2017	34.92	439.65	3.87	478.44
Profit for the period	-	79.84	-	79.84
Total comprehensive income/ (loss) for the period	-	79.84	-	79.84
Balance at 31 March 2018	34.92	519.49	3.87	558.28

As at March 31, 2017

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Capital Reserve	Retained Earnings		
Balance at 31 March 2016	34.92	425.31	0.10	460.33
Profit for the period	-	14.34	3.77	18.11
Total comprehensive income/ (loss) for the period	-	14.34	3.77	18.11
Balance at 31 March 2017	34.92	439.65	3.87	478.44

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **B Y JATANIA & CO.**

Firm Regn. No. 0311010E

Chartered Accountants

CA Yaswant Kumar Jatania

Partner

Membership No. 050031

Place : Kolkata

Date : May 15, 2018

Devendra Prasad Jajodia

Managing Director

(DIN : 00045166)

Tushar Kanti Sarkar

Chief Financial Officer

Seema Chowdhury

Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
A: Cash Flow From Operating Activities		
Net Profit Before Taxes	122.58	26.90
Adjustments For :		
Depreciation	131.44	94.22
Irrecoverable Debts Written off	11.48	1.23
IND AS Adjustment -Opening (Impairment Allowance)	(19.12)	-
Interest on Term Loans and Others	124.17	556.75
Insurance Claim	(0.97)	
Prior Period Expenditure (net)	7.11	-
Interest Income	(0.95)	(3.66)
Allowance on Doubtful Debts	(2.39)	4.17
Operating Profit Before Working Capital Changes	373.35	679.61
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(1,023.84)	(480.43)
Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets	2,002.33	(935.04)
Decrease / (Increase) in Inventories	(682.93)	(825.82)
(Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions	151.45	1,730.62
Cash Generated From Working Capital Changes	447.01	(510.67)
Cash Generated From Operating Activities	820.36	168.94
Direct Taxes paid (net of refunds)	(3.48)	(10.84)
Net Cash generated from Operating Activities	816.88	158.09
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets	(418.57)	(110.80)
Interest received	0.95	3.66
Net Cash Used In Investing Activities	(417.62)	(107.14)



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in lacs)

	Current year ended March 31, 2018	Previous year ended March 31, 2017
C: Cash Flow From Financing Activities		
Repayment of long / short term Borrowings	(284.73)	457.61
Interest Paid	(124.17)	(556.75)
Net Cash generated from Financing Activities	(408.90)	(99.14)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(9.64)	(48.19)
Cash and Cash Equivalents as at the beginning of the year	33.23	81.42
Cash and Cash Equivalents as at the end of the year	23.59	33.23
Components of cash and cash equivalents		
Cash on hand	7.17	2.86
Cheques in hand	-	1.46
Balance with Scheduled Banks on:		
Current Account	6.28	19.42
Fixed Deposit Account	10.14	9.49
Unclaimed Dividend Account *	-	-
Unclaimed Fractional Share Balance*	-	-
Cash and Bank Balances as per Note 7.2 & 7.3	23.59	33.23
Less : Fixed deposits not considered as cash equivalents	-	-
Cash and Cash Equivalents in Cash Flow Statement:	23.59	33.23

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **B Y JATANIA & CO.**

Firm Regn. No. 0311010E

Chartered Accountants

CA Yaswant Kumar Jatania

Partner

Membership No. 050031

Place : Kolkata

Date : May 15, 2018

Devendra Prasad Jajodia

Managing Director

(DIN : 00045166)

Tushar Kanti Sarkar

Chief Financial Officer

Seema Chowdhury

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1 COMPANY OVERVIEW

Chandi Steels Industries Limited is a public limited company incorporated and domiciled in India, its registered office being at 3, Bentinck Street, PS Hare Street, Kolkata-700001. Its equity shares are listed with the Calcutta Stock Exchange Limited. Heavy Rounds and Flats in various Carbon, Mild and Alloy Steel grades are manufactured in its factory situated in Liluah, Howrah, West Bengal. It is a leading manufacturer of forging and engineering quality alloy and non-alloy steel Rounds, Flats and Squares using the Blast Furnace route and has the exclusive ability to manufacture various sophisticated grades of steel conforming to national and international standards.

2 SIGNIFICANT ACCOUNTING POLICIES

I. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The company's financial statements up to and for the year ended 31st March 2017 were prepared in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. The company has adopted all the Indian Accounting Standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Refer Note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

Historical Cost Convention

Financial Statements have been prepared on historical cost basis except for the following items:

- Certain financial assets and liabilities measured at fair value
- Defined benefit plans - Plan assets are measured at fair value

II. Use of estimates

In preparing the financial statements in conformity with Ind AS, management has made estimates, judgments and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Critical estimates and judgments

The areas involving critical estimates or judgments are as follows:

- Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- Impairment of trade receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

III. Current and Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

IV. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When a major inspection is performed, its cost is not recognized in the carrying amount of the plant and equipment as a replacement. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred. Property, plant and equipment includes spare parts, stand by equipments and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of property, plant and equipment.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Based on technical assessment made by technical expert and Management estimate the entity depreciates items of property, plant and equipment over estimated useful lives which are same as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Factory Building: 30 years
- Office Equipments: 5-20 years
- Furniture and Fixtures: 10 years
- Motor Vehicle: 6 years
- Plant and Machinery: 10-20 years
- Computers: 3 years



NOTES TO THE FINANCIAL STATEMENTS

Depreciation on property, plant and equipment is provided on straight line basis to the extent of depreciable amount on pro-rata basis over the useful life of respective assets as prescribed under Schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-process'.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

V. Provisions

A provision is recognized if, as a result of a past event, the company has a present obligation (legal or constructive) that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

Where the effect of time value of money is material, provisions are measured at the present value of management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

VI. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The management has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The management has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery

NOTES TO THE FINANCIAL STATEMENTS

of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT), goods and service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

A. Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

B. Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the management estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

VII. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost incurred in bringing each product to its present location and condition is accounted as follows:

- i. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- ii. Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Cost of finished goods also includes the applicable Excise Duty.
- iii. Stores and spares: cost includes cost of General Stores, Wires and Felts and Packing materials. Cost is determined on weighted average basis.



NOTES TO THE FINANCIAL STATEMENTS

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

VIII. Rounding of amounts

All amounts of financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

IX. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, i.e., net profit after tax less after tax amount of preference dividend, by the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

X. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

XI. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

XII. Financial Instruments

Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or

NOTES TO THE FINANCIAL STATEMENTS

issue of financial assets and financial liabilities, those are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date i.e., the date at which the company commits to purchase or sell the asset.

Subsequent Measurement

(i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

(ii) Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. The company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL, which is thereafter irrevocable. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

(iii) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. The company's financial liabilities include trade and other payables and loans and borrowings. Loans and Borrowings- After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.



NOTES TO THE FINANCIAL STATEMENTS

Derecognition of Financial Instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

XII. Impairment

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. Considering a discount rate of 10%, provision rates for delay risk are as under:

NOTES TO THE FINANCIAL STATEMENTS

Ageing	Discount for Delay
0-180 days	0%
181-365 days	15%
1-2 years	25%
2-3 years	50%
Above 3 years	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (Profit and Loss). This amount is reflected under the head 'other expenses' in the Profit and Loss.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

b. Non-financial assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

XIV. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's financial currency.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.



NOTES TO THE FINANCIAL STATEMENTS

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognized in profit or loss, except exchange differences arising from the translation of equity instruments at fair value through OCI (FVOCI) which are recognized in OCI.

- a) Transactions in foreign exchange covered by forward contracts are accounted for at the contracted rates.
- b) Transactions other than those covered by forward contracts are recognized at the exchange rates prevailing on the date of their occurrence.
- c) Monetary assets and liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year-end exchange rates.
- d) The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital assets. Other exchange differences arising from long-term foreign currency monetary items are transferred to "Foreign currency monetary item translation difference account" to be amortized over the life of such monetary items but not beyond 31st March 2020. Other exchange differences are recognized as income or expense in the Profit and Loss account.

XV. Fair value measurement

The management measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

The management uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the management determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

XVI. Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR,



NOTES TO THE FINANCIAL STATEMENTS

the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as an asset to the extent that cash refund or a reduction in the future payment is available.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Bonus plans

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES TO THE FINANCIAL STATEMENTS

XVII. Taxes

Tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized using liability method, to the extent that it is probable that future taxable profits will be available against which they can be used. The company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 3.1 Property Plant and Equipments

Particulars	Gross block				Accumulated depreciation				Net block	Net block
	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2018	1 April 2017
Freehold Land	481.51	-	-	481.51	-	-	-	-	481.51	481.51
Factory Building	245.12	-	-	245.12	69.12	6.82	-	75.94	169.18	176.00
Plant and Machinery	1,793.60	351.37	-	2,144.97	1,223.02	94.75	-	1,317.77	827.20	570.58
Furniture and Fixtures	4.05	0.76	-	4.81	2.97	0.23	-	3.20	1.61	1.08
Computer	5.71	1.96	-	7.67	4.13	0.80	-	4.93	2.74	1.58
Office Equipment	3.02	6.50	-	9.52	1.58	1.12	-	2.70	6.82	1.44
Motor Vehicle	139.76	65.50	-	205.26	26.27	27.73	-	54.00	151.26	113.49
Total	2,672.77	426.09	-	3,098.86	1,327.09	131.45	-	1,458.54	1,640.32	1,345.68

Particulars	Gross block				Accumulated depreciation				Net block	Net block
	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	31 March 2017	1 April 2016
Freehold Land	481.51	-	-	481.51	-	-	-	-	481.51	481.51
Factory Building	245.12	-	-	245.12	62.30	6.82	-	69.12	176.00	182.82
Plant and Machinery	1,767.93	25.67	-	1,793.60	1,150.45	72.57	-	1,223.02	570.58	617.48
Furniture and Fixtures	4.05	-	-	4.05	2.78	0.19	-	2.97	1.08	1.27
Computer	4.20	1.51	-	5.71	4.13	-	-	4.13	1.58	0.07
Office Equipment	2.50	0.52	-	3.02	1.29	0.29	-	1.58	1.44	1.21
Motor Vehicle	62.18	77.58	-	139.76	11.92	14.35	-	26.27	113.49	50.26
Total	2,567.49	105.28	-	2,672.77	1,232.87	94.22	-	1,327.09	1,345.68	1,334.62

Note 3.2 Capital Work in progress

Particulars	31 March, 2018	31 March, 2017	01 April, 2016
Opening	3,625.38	3,625.38	3,625.38
Addition	-	-	-
Total	3,625.38	3,625.38	3,625.38

**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 – 3.2.

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 4 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits	6.93	6.88	8.29
Total	6.93	6.88	8.29

Note 5 Other non-current assets

Capital Advances	24.75	16.97	11.72
Total	24.75	16.97	11.72

Note 6 Inventories

Raw Materials** (including stock-in-transit)	1,480.97	673.99	83.15
Stores and Spares	188.54	246.63	51.86
Finished Goods	228.61	320.88	281.90
By Products and Scrap	39.48	13.17	11.94
Total	1,937.60	1,254.67	428.85

**Stock in transit	1,343.62	82.64	7.61
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Note 7.1 Trade Receivables

Unsecured, considered good	2,143.82	1,112.36	618.47
Less: Allowance on Doubtful Debts	16.72	19.12	14.95
Total	2,127.10	1,093.24	603.52

Ageing of Trade Receivable (Net of expected credit loss)			
0-30 days	2,079.18	949.05	465.95
31-90 days	3.85	97.65	70.51
91-120 days	0.52	2.84	2.21
121-180 days	11.32	0.23	0.12
181-365 days	18.63	9.33	44.53
Above 1 year but Less than 2 Year	9.14	25.90	19.67
Above 2 year	4.46	8.24	0.53
Total	2,127.10	1,093.24	603.52



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 7.2 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with banks			
Current Account Balances	6.28	19.42	70.69
Cash in hand	7.17	2.86	3.98
Cheques in hand	-	1.46	-
Deposits with original maturity for less than 3 months	1.08	1.01	-
Total	14.53	24.75	74.67

Note 7.3 Bank Balances other than (iii) above

Deposits with original maturity for more than 3 months & less than 12 months	0.96	8.11	-
Deposits with original maturity for more than 12 months	8.10	0.36	6.75
Total	9.06	8.47	6.75

Entire Fixed Deposits of Rs.10.14 Lacs (9.49 lacs) pledged with banks and others as margin money against borrowings/ other facilities.

Note 7.4 Loans

Security deposits	95.05	53.98	38.14
Loans and Advances to Related parties	29.18	2,086.55	1,645.33
Advances recoverable in cash or kind			
Advances recoverable in cash or kind or for value to be received	28.00	28.00	28.50
Total	152.23	2,168.53	1,711.97

Note 8 Current tax assets

Advance Income Tax	7.71	28.98	16.57
Total	7.71	28.98	16.57

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 9 Other Current Assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	-	112.87	-
Advances recoverable in cash or kind or for value to be received	94.89	169.79	80.19
Balance with Excise and other Government Authorities	1,258.46	1,078.64	815.29
MAT Credit Entitlement	-	-	7.06
Duty Drawback Receivable	15.98	1.90	5.31
Total	1,369.33	1,363.20	907.85

Note 10 Equity Share Capital

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

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10/- each						
At the beginning of the period	10,540,000	1053.62	10,540,000	1,053.62	10,540,000	1,053.62
Call money received during the period			-	-	-	-
At the end of the year	10,540,000	1,053.62	10,540,000	1,053.62	10,540,000	1,053.62

(b) Terms/rights attached to equity shares

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



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% holding in the class	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	1,447,498	13.73
Gaurav Jajodia	600,000	5.69	600,000	5.69	600,000	5.69
Sangeeta Jajodia	600,000	5.69	600,000	5.69	600,000	5.69
Aashish Jajodia	556,500	5.28	556,500	5.28	556,500	5.28
Total	3,203,998	30.39	3,203,998	30.39	3,203,998	30.39

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

Note 11 Other Equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Securities Premium	-	-	-
Capital Reserve	34.92	34.92	34.92
Retained Earning**	519.49	439.65	425.41
OCI			
Opening OCI	3.87	0.15	-
Add: During the year OCI	-	3.77	-
Less : Deferred Tax	-	(0.05)	-
Total OCI	3.87	3.87	-
Total	558.28	478.44	460.33

Retained Earning**

General Reserve	(0.43)	10.00	(4.95)
Add : Opening Adjustment as per IND AS	-	(15.10)	
Less : Deferred Tax - Opening	-	4.67	
	(0.43)	(0.43)	(4.95)
Profit & Loss Account	440.08	425.74	425.74
Add: Profit for the Year	79.84	14.34	
Deferred Tax for IND AS Adjustment			4.62
Retained Earning	519.49	439.65	425.41

Note: Retained Earning represents the undisputed profit/amount of accumulated earnings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note: Other Comprehensive Income(OCI) comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.

Note 12 Borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured Non Convertible Debentures	200.00	200.00	-
Deferred Payment Liability	69.05	45.36	17.92
Total	269.05	245.36	17.92

Note: 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 interest of 8% p.a.

Note 13 Deferred tax liabilities (Net)

Deferred tax liability	-	-	108.10
Provisions/Expenses Allowable in future under IT Act	(2.30)	(4.06)	-
Timing Difference on Depreciable Assets	128.98	112.74	-
IND AS Adjustment	(5.91)	(5.91)	-
Total	120.77	102.77	108.10

Note: Deferred Tax for IND AS Adjustment represents the effect of Re-measurement of Profit & Loss Account as per IND AS.

Note 14 Provisions

Gratuity	2.81	11.98	13.14
Total	2.81	11.98	13.14

Note 15.1 Borrowings

Secured			
Loan repayable on demand			
Cash credit from banks	599.61	751.59	734.83
Unsecured			
Loans & advances from related parties			
Jai Balaji Jyoti Steels Ltd.	3,491.55	3,648.00	3,434.59
Total	4,091.16	4,399.59	4,169.42

a) Out of Total Unsecured Loan, Rs 3200 Lakh taken from Jai Balaji Jyoti Steels Limited for Capital Work in Progress of the Coal Block development and will be repaid /adjusted on implementation of project.



NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

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.

Note 15.2 Trade Payables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
MSMED	-	-	-
Other than MSMED	4,137.63	3,976.79	2,680.58
Total	4,137.63	3,976.79	2,680.58

Note: The Company has circulated confirmation for the identification of supplier registered under Micro,small & Medium Enterprises Development Act, 2006. On the basis of information available with the company under the aforesaid act there are no Enterprises to whom the company owes dues which are outstanding at year end.

Note 15.3 Other financial liabilities

Current Maturity of Long term borrowings	26.92	21.99	15.27
Capital Creditors	41.91	35.37	40.89
Advance from Related party	-	-	6.32
Due to employees	27.11	10.66	9.04
Total	95.94	68.02	71.52

Note 16 Other current liabilities

Advance from Customers	507.95	460.82	89.97
Statutory dues payable	15.91	89.47	30.92
Interest Accrue & Due on NCD	21.34	6.94	-
Excise duty payable on closing stock	-	22.93	33.78
Total	545.20	580.16	154.67

Note 17 Provisions

Leave Salary	2.51	1.88	0.89
Provision for Taxation	37.97	18.14	-
Total	40.48	20.02	0.89

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 18 Revenue from Operations

	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of products		
Finished Goods	16,886.29	9,648.48
Scraps	1,036.20	216.33
Other Operating Revenue		
Conversion Charges	92.30	5.73
Export Incentives	116.00	70.48
Total	18,130.79	9,941.02

Note 19.1 Other Income

Interest on :		
Fixed Deposits with Banks [Gross, TDS ₹ 0.18 lacs(2.34 Lacs)]	0.95	3.66
Insurance Claims	0.97	-
Total	1.92	3.66

Note 19.2 Other gains/(losses)-net

	Year ended 31 March, 2018	Year ended 31 March, 2017
Net gain/(loss) on disposal of property, plant and equipment	-	-
Profit on sale of Short term Investments (other than trade)	3.03	0.05
Net gain/(loss) on disposal of investments		-
Net foreign exchange gains/(losses)	-	14.68
Impairment Allowance	2.39	-
Other items	12.47	-
Total	17.89	14.73

Note 20 Cost of Raw Material Consumed

Opening Stock	673.99	83.15
Purchases	12,873.56	6,442.21
	13,547.55	6,525.36
Less: Closing Stock	1,480.97	673.99
Total	12,066.58	5,851.37



NOTES TO THE FINANCIAL STATEMENTS

Consumption of Raw Material

	Year ended 31 March, 2018	Year ended 31 March, 2017
Non Alloys Steel (Billet & Ingot)	11,223.56	5,230.92
Alloys Steel (Billet & Ingot)	843.02	620.45
Total	12,066.58	5,851.37

Note 21 Change in inventories of finished goods, stock in trade and work-in-progress

Opening stock (Finished Goods)	320.88	281.90
Closing stock (Finished Goods)	228.61	320.88
	92.27	(38.98)
Opening stock (Scrap)	13.17	11.94
Closing stock (Scrap)	39.48	13.17
	(26.31)	(1.23)
(Increase)/Decrease in excise duty and cess on stocks	(22.93)	(10.85)
Total	43.03	(51.06)

Note 22 Excise Duty

Excise Duty	264.80	815.51
Total	264.80	815.51

Note 23 Employee benefit expense

Salaries, Bonus & Allowances	256.02	117.87
Contribution to Provident and other funds	2.35	12.73
Staff welfare expenses	5.21	2.22
Directors remuneration	19.83	5.80
Total	283.41	138.62

Post Retirement Employee Benefits : Refer Note - 28

Note 24 Finance cost

Interest expenses :		
On Cash credit	56.99	115.50
On Others [Net of income of ₹ Nil lacs (₹ 112.74 lacs)]	51.88	432.54
Finance charges	15.30	8.71
Total	124.17	556.75

Note 25 Depreciation and amortisation expense

Depreciation of tangible assets	131.44	94.22
Total	131.44	94.22

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Note 26 Other expenses

	Year ended 31 March, 2018	Year ended 31 March, 2017
Consumption of Stores and Spares	3,372.13	1,583.41
Labour Charges	181.42	28.64
Power and Fuel	671.49	489.52
Repairs and Maintenance:		
- Plant and Machinery	25.57	24.99
- Buildings	-	0.17
- Others	17.31	5.15
Freight and Transportation	347.46	212.93
Rent and Hire	11.70	4.56
Discount Allowed	9.13	4.72
Rates and Taxes	7.59	1.46
Insurance	4.17	5.20
Advertisement	0.48	0.37
Brokerage and Commission	97.57	10.31
Travelling and Conveyance	22.77	51.95
Printing & Stationery	0.45	0.58
Telephone and Postage	2.51	2.20
Legal and Professional Charges	73.14	12.91
Allowance on Doubtful Debts	-	4.17
Loss on Foreign Exchange Fluctuations(Net)	10.62	
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	11.48	1.23
Charity and Donations	-	0.49
Security and Service Charges	43.62	13.78
Prior Period Expenses	7.11	-
Miscellaneous Expenses	196.16	73.10
Total	5,114.59	2,532.55

**NOTES TO THE FINANCIAL STATEMENTS****Note 27 Tax expense**

	Year ended 31 March, 2018	Year ended 31 March, 2017
(1) Current tax		
Current tax expense	24.75	7.07
Less: MAT Entitlement	-	7.05
Total	24.75	14.12
(2) Deferred tax	17.99	(7.01)
Total	17.99	(7.01)

Note 28 Post Retirement Employee Benefits

The disclosures required under IND As 19 on "Employee Benefits", are given below :

Defined Contribution Plan

Contributions to Defined Contribution Plans, recognized for the year (included in Statement of Profit & Loss) as under :

	Year ended 31 March, 2018	Year ended 31 March, 2017
Employer's Contribution to Provident Fund	2.82	2.33
Employer's Contribution to Pension Scheme	6.41	4.63

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 Indian Accounting Standard 19 'Employee Benefits' are given below:

(a) Expenses recognized in statement of Profit & Loss Account for the year ended 31st March 2018.

	Year ended 31 March, 2018	Year ended 31 March, 2017
Current Service Cost	3.99	3.25
Interest Cost on benefit obligation	0.86	1.04
Total Expenses / (Income)	4.85	4.29

(b) Other Comprehensive Income (OCI) for the year ended 31st March 2018.

Actuarial (gain)/Loss due to DBO Experience	(5.49)	(7.58)
Actuarial (gain)/Loss due to DBO assumption changes	(8.48)	2.07
Return on plan asset (greater)/less than discount rate	(0.05)	0.06
Actuarial (gains)/losses recognized in OCI	(14.02)	(5.45)

NOTES TO THE FINANCIAL STATEMENTS

(C) Defined Benifit cost for the year ended 31st March 2018.

	Year ended 31 March, 2018	Year ended 31 March, 2017
Service Cost	3.99	3.25
Net interest on net defined benifit liability/(asset)	0.86	1.04
Acturial(gains)/Losses recognized in OCI	(14.02)	(5.45)
Defined Benifit Cost	(9.17)	(1.16)

(d) Net Assets / (Liability) recognized in Balance Sheet as at 31st March 2018

Defined Benifit Obligation(DBO)	(25.83)	(33.41)
Fair value of plan assets (FVA)	23.02	21.43
Net defined benifit asset/(Liability)	(2.81)	(11.98)

(e) Reconciliation of Net Balance Sheet Position as at 31st March 2018

Net defined benifit asset/(Liability) at end of prior Period	(11.98)	(13.14)
Service Cost	(3.99)	(3.25)
Net interest on net define benifit (liability)/ asset	(0.86)	(1.04)
Amount recognised in OCI	14.02	5.45
Net defined benifit asset/(Liability) at the current Period	(2.81)	(11.98)

(f) Change in the present value of the defined benefit obligation during the year ended 31st March 2018

Present Value of Defined Benifit Obligation at the begining of the year	33.41	33.46
Current Service Cost	3.99	3.25
Interest Cost	2.40	2.63
Acturial Loss / (gain) experiance	(5.49)	(7.58)
Acturial Loss / (gain) Finalancial assumption	(8.49)	2.07
Benefit Payments	-	(0.42)
Present Value of Defined Benefits Obligation at the end of the year	25.82	33.41

(g) Change in the Fair Value of Plan Assets during the year ended 31st March 2018

Fair Value of Plan Assets at the bening of the year	21.43	20.32
Interest income on plan asset	1.54	1.59
Return on plan assets greater/(lesser) than discount rate	0.05	(0.06)
Benifits Paid	-	(0.42)
Fair Value of Plant Assets at the end of the year	23.02	21.43

(h) The major categories of plan assets as percentage of the fair value of the total plan assets

Investment with the insurer	100%	100%
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NOTES TO THE FINANCIAL STATEMENTS

(i) The principal assumptions used in determining gratuity and leave obligations for the Company's plans are shown below :

Discount Rate	7.20%	7.90%
Expected Rate of return on assets	7.60%	7.20%
Rate of increase in salaries	10.00%	10.00%
	Indian Assured Life Mortality (2006-08) (Modified) Ult.	Indian Assured Life Mortality (2006-08) (Modified) Ult.

Note 29 Unhedged Foreign currency exposures outstanding at the year end are as follows :

Particulars	Foreign Currency (FC)	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
		in FC	(₹ in Lakhs)	in FC	(₹ in Lakhs)	in FC	(₹ in Lakhs)
Receivables							
- Trade Receivables	US\$	1,282,885.67	834.44	202,880.51	131.54	136,512.00	90.66
Total		1,282,885.67	834.44	202,880.51	131.54	136,512.00	90.66
Payables							
- Advance from customers	US\$	775,037.57	504.12	655,036.89	424.72	-	-
Total		775,037.57	504.12	655,036.89	424.72	-	-

Note 30 Contingent Liabilities not provided for

Particulars	31 March, 2018	31 March, 2017	01 April, 2016
Corporate Guarantee given by way of collateral security in favor of a group company	5427	5,427.00	5,427.00
Sales Tax & Excise Duty matters under dispute/appeal	683.58	1,111.44	984.09
Income Tax matters under dispute/appeal	-	19.98	19.98
Bank Guarantees outstanding	62.62	58.61	44.22

NOTES TO THE FINANCIAL STATEMENTS

Note 31 Related Party Transactions

List of Related Parties

Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

Jai Balaji Industries Ltd.

Jai Salasar Balaji Industries Pvt. Ltd.

Balaji Ispat Udyog

Jai Balaji Jyoti Steels Ltd.

Jai Balaji Infotech Pvt. Ltd.

Nilachal Iron & Power Ltd.

List of Key Managerial Personnel

Devendra Prasad Jajodia	Managing Director
Susanta Sarkar	Director
Tushar Kanti Sarkar	Chief Financial Officer
Seema Chowdhury	Company Secretary

List of Relatives of Key Managerial Personnel

Sangeeta Jajodia

Kanchan Jajodia

Transactions with Related Parties

The following transactions occurred with related parties:

Compensation of key managerial personnel

Particulars	31 March, 2018	31 March, 2017	01 April, 2016
Short-term employee benefits	30.51	15.97	13.60
Post-employment benefits	-	-	-
Other long-term benefits	-	-	-
Termination benefits	-	-	-
Total compensation paid to key managerial personnel	30.51	15.97	13.60



NOTES TO THE FINANCIAL STATEMENTS

Compensation of key managerial personnel

Relation	Purchases	Sales	Interest Received	Interest Paid	Balance Payable	Balance Receivable	Corporate Guarantee Given / (Taken)	Rent Paid
Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives								
Jai Balaji Industries Limited	17.71 (35.54)	47.77 (58.46)		- (223.45)	1076.95 (1549.98)	- (0)	(900) (-900)	-
Jai Salasar Balaji Industries (P) Ltd.	4122.20 (1855.62)	985.19 (193.78)	- (271.46)	-	-	858.04 (2048.53)	-	-
Balaji Ispat Udyog	-	-	-	- (3.25)	-	-	-	-
Jai Balaji Jyoti Steels Ltd.	-	-	-	- (440)	3491.55 (3648.00)	-	-	-
Jai Balaji Infotech Pvt Limited	-	-	-	-	-	29.18 (38.02)	-	-
Nilachal Iron & Power Ltd.	-	-	-	-	-	-	5427 (5427)	-
Relatives of Key Managerial Person								
Sangeeta Jajodia	-	-	-	-	- (0.32)	-	-	3.60 (0.96)
Kanchan Jajodia	-	-	-	-	-	-	-	6.60 (3.60)

Note 32 Earnings per share

	31 March, 2018	31 March, 2017
A. Basic earnings per share		
Net Profit after tax	79.84	18.11
Adjustments: Dividend on preference shares	-	-
Tax on preference dividend	-	-
Profit attributable to equity shareholders (' in lakhs)	79.84	18.11
Weighted average number of equity shares for basic EPS (₹ in lakhs)	105.36	105.36
Basic EPS	0.76	0.2
B. Diluted earnings per share		
Profit attributable to equity shareholders (₹ in lakhs)	79.84	18.11
Weighted average number of equity shares for diluted EPS (₹ in lakhs)	105.36	105.36
Diluted EPS	0.76	0.2

NOTES TO THE FINANCIAL STATEMENTS

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the adjusted profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

Note 33 Confirmation of Debtors, Creditors and Dues of Small Scale Units

In the absence of balance confirmation from Sundry Debtors, Creditors, Loans, Advances and Security 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 31.03.2018.

Note 34 Value of Indigenous Material Consumed

	31 March, 2018	31 March, 2017	01 April, 2016
Raw Material	12,066.58	5,851.37	5,181.03
Stores and Spares	3,372.13	1,583.41	1,102.99

Note 35 Segment Reporting

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 Ind AS-108.

Note 36 Earnings in foreign currency transactions for the year

F.O.B. Value of Exports 31 March, 2018- Rs 6415.09 lakhs, 31 March, 2017- Rs. 2400.71 lakhs, 01 April, 2016- Rs.2729.41 lakhs.

Note 37 Disclosure on Specified Bank Notes (SBNs)

Details of SBNs held and transacted during the period from 08 November,2016 to 30 December,2016 are as follows:

	SBNs (₹)	Other Denomination notes (₹)	Total (₹)
Closing cash in hand as on 08-11-2016	-	375,200.00	375,200.00
(+) Permitted receipts	-	220,000.00	220,000.00
(-) Permitted payments	-	125,948.00	125,948.00
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on 30-12-2016	-	469,252.00	469,252.00

The figures for the previous periods are reclassified/re-arranged/re-grouped, wherever necessary as per the format revised by SEBI in conformity with amended schedule III of the Companies Act, 2013.



NOTES TO THE FINANCIAL STATEMENTS

Note 38 Fair Value Measurements

	31st March 2018			31st March 2017			1st April 2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Trade Receivables			2,127.10			1,093.24			603.52
Security Deposits			101.98			60.86			46.43
Cash and Cash Equivalents			14.53			24.75			74.67
Other Bank Balances			9.06			8.47			6.75
Loans to Related Party			29.18			2,086.55			1,645.33
Advances			28.00			28.00			28.50
Total Financial Assets			2,309.85	-	-	3,301.87	-	-	2,405.20
Financial Liabilities									
Borrowings			4,387.13			4,666.94			4,202.61
Trade Payables			4,137.63			3,976.79			2,680.58
Capital Creditors			41.91			35.37			40.89
Advance from Related party			-			-			6.32
Due to employees			27.11			10.66			9.04
Total Financial Liabilities			8,593.78	-	-	8,689.76	-	-	6,939.44

i) Fair Value Hierarchy

Financial Asset & Liabilities measured at fair value - recurring fair value managements at 31st March 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investment at FVTPL				
Financial Investment at FVTOCI				
Total	-	-	-	-
Financial Liabilities				
Total	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Financial Asset & Liabilities measured at amortised cost for which fair values are disclosed at 31st March 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Security Deposits				
Loans to Related Party				
Advances				
Total	-	-	-	-
Financial Liabilities				
Borrowings				
Total	-	-	-	-

Financial Asset & Liabilities measured at fair value - recurring fair value managements at 31st March 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investment at FVTPL				
Financial Investment at FVTOCI				
Total	-	-	-	-
Financial Liabilities				
Total	-	-	-	-

Financial Asset & Liabilities measured at amortised cost for which fair values are disclosed at 31st March 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Security Deposits				
Loans to Related Party				
Advances				
Total	-	-	-	-
Financial Liabilities				
Borrowings				
Total	-	-	-	-

Financial Asset & Liabilities measured at fair value - recurring fair value managements at 1st April 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investment at FVTPL				
Financial Investment at FVTOCI				
Total	-	-	-	-
Financial Liabilities				
Total	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

Financial Asset & Liabilities measured at amortised cost for which fair values are disclosed at 1st April 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
Security Deposits				
Loans to Related Party				
Advances				
Total	-	-	-	-
Financial Liabilities				
Borrowings				
Total	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

a the use of quoted market prices or dealer quotes for similar instruments

a the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

a the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

a the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

a the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Note 39 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis Credit Ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting, Sensitivity analysis	Forward foreign exchange contracts, Foreign currency options
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The company's risk management is carried out by a central treasury department (company treasury) under policies approved by the board of directors. company treasury identifies, evaluates and hedges financial risks in close co- operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.



NOTES TO THE FINANCIAL STATEMENTS

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics. Value Ind AS Limited assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

VL 1 : High-quality assets, negligible credit risk

VL 2 : Quality assets, low credit risk

VL 3 : Standard assets, moderate credit risk

VL 4 : Substandard assets, relatively high credit risk

VL 5 : Low quality assets, very high credit risk

VL 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

i) Internal credit rating

ii) external credit rating (as far as available)

iii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

iv) actual or expected significant changes in the operating results of the borrower

v) significant increase in credit risk on other financial instruments of the same borrower

vi) significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

vii) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the company and changes in the operating results of the borrower.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

NOTES TO THE FINANCIAL STATEMENTS

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) Financing arrangements

The company had not access to the undrawn borrowing facilities during the reporting period:

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity companyings based on their contractual maturities for:

i) all non-derivative financial liabilities, and

ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Note 40 Capital management

(a) Risk management

For the purpose of the company's capital management, capital includes issued equity capital, redeemable non-convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital.

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by sound capital position.



NOTES TO THE FINANCIAL STATEMENTS

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)			
Total 'equity' (as shown in the balance sheet, including non-controlling interests)			
	31 March, 2018	31 March, 2017	01 April, 2016
Total Borrowings	4,360.21	4,644.95	4,187.34
Less: Cash and cash equivalents	23.59	33.22	81.42
Adjusted net debt	4,336.62	4,611.73	4,105.92
Total equity	1,611.90	1,532.06	1,513.95
Net debt to equity ratio	269.04	301.01	271.21

Net Finance Cost to EBITDA

Finance Cost (as shown in the balance sheet)		
Earnings before interest, tax, depreciation and amortization		
	31 March, 2018	31 March, 2017
Finance Cost	124.17	556.75
EBITDA	378.19	672.42
Net Finance Cost to EBITDA ratio	32.83	82.80

Note 41 First Time Adoption

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet as at 1 April 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

NOTES TO THE FINANCIAL STATEMENTS

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first- time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company elected to measure all of its property, plant and equipment at its previous GAAP carrying value.

A.1.2 Fair value measurement of financial assets or financial liability at initial recognition

Despite the requirements of paragraphs 7 and 9 of Ind AS 101, an entity may apply the requirements of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.

The company elected to apply the same.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind ASs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Foreign exchange rates
- Interest rates

A.2.2 Classification and measurements of financial liabilities

Ind AS 101 requires an entity to assess whether a financial asset meets the conditions in paragraph 4.1.2 or the conditions in paragraph 4.1.2A of Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind As.

The company has applied the same.

A.2.3 Impairment of financial assets

Impairment of Financial Assets: An entity should seek to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort. An entity is not required to undertake an exhaustive search for information when determining, at the date of transition to Ind As, whether there have been significant increases in credit risk since initial recognition. If an entity is unable to make this determination without undue cost or effort, it shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.



NOTES TO THE FINANCIAL STATEMENTS

B. Reconciliation between previous IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (01 April 2016)

Balance sheet as at 31st March 2016

Particulars	IGAAP	INDAS	IndAS
	As at 31 March, 2016	(adjustments)	As at 01 April, 2016
ASSETS			
Non-current assets			
a) Property, plant and equipment	1,334.62	-	1,334.62
b) Capital work-in-progress	3,625.38	-	3,625.38
c) Investment property	-	-	-
d) Other Intangible assets	-	-	-
e) Financial assets			
i) Investments	-	-	-
ii) Loans	20.01	(11.72)	8.29
g) Deferred tax assets (Net)	-	-	-
h) Other non-current assets	-	11.72	11.72
	4,980.01	-	4,980.01
Current assets			
a) Inventories	428.85	-	428.85
b) Financial assets			
i) Investments	-	-	-
ii) Trade receivables	618.47	(14.95)	603.52
iii) Cash and Cash equivalents	81.42	(6.75)	74.67
iv) Bank balance other than (iii) above	-	6.75	6.75
v) Loans	2,631.08	(919.11)	1,711.97
d) Current tax asset (Net)	-	16.57	16.57
e) Other current assets	5.31	902.54	907.85
	3,765.13	(14.95)	3,750.18
Total Assets	8,745.14	(14.95)	8,730.19
EQUITY AND LIABILITIES			
a) Equity Share capital	1,053.62	-	1,053.62
b) Other equity	470.66	(10.33)	460.33
	1,524.28	(10.33)	1,513.95

NOTES TO THE FINANCIAL STATEMENTS

Particulars	IGAAP	INDAS (adjustments)	IndAS
	As at 31 March, 2016		As at 01 April, 2016
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	3,217.92	(3,200.00)	17.92
b) Deferred tax liabilities (Net)	112.72	(4.62)	108.10
c) Other non-current liabilities	-	-	-
d) Provisions	13.14	-	13.14
	3,330.64	(3,204.62)	126.02
Current liabilities			
a) Financial liabilities			
i) Borrowings	969.42	3,200.00	4,169.42
ii) Trade Payables	2,680.58	-	2,680.58
iii) Other financial liabilities	-	71.52	71.52
b) Other current liabilities	226.19	(71.52)	154.67
c) Provisions	0.89	-	0.89
	3,890.22	3,200.00	7,090.22
Total Equity and liabilities	8,745.14	(14.95)	8,730.20

Reconciliation of equity as on 31st March 2017

Balance sheet as at 31st March 2017

Particulars	IGAAP	IND AS (adjustments)	Ind AS
	As at 31 March, 2017		As at 31 March, 2017
ASSETS			
Non-current assets			
a) Property, plant and equipment	1,345.68	-	1,345.68
b) Capital work-in-progress	3,625.38	-	3,625.38
c) Investment property	-	-	-
d) Other Intangible assets	-	-	-
e) Financial assets			
i) Investments	-	-	-
ii) Loans	23.85	(16.97)	6.88
iii) Other financial Assets	-	-	-
f) Deferred tax assets (Net)	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

Particulars	IGAAP	IND AS	Ind AS
	As at 31 March, 2017	(adjustments)	As at 31 March, 2017
g) Other non-current assets	-	16.97	16.97
	4,994.91	(0.00)	4,994.91
Current assets			
a) Inventories	1,254.67	-	1,254.67
b) Financial assets			
i) Investments	-	-	0.00
ii) Trade receivables	1,112.35	(19.12)	1,093.24
iii) Cash and Cash equivalents	33.23	(8.47)	24.75
iv) Bank balance otherthan (iii) above	-	8.47	8.47
v) Loans	3,547.73	(1,379.20)	2,168.53
d) Current tax asset (Net)	11.07	17.91	28.98
e) Other current assets	1.90	1,361.30	1,363.20
	5,960.95	(19.11)	5,941.84
Total Assets	10,955.86	(19.11)	10,936.75
EQUITY AND LIABILITIES			
a) Equity Share capital	1,053.62	-	1,053.62
b) Other equity	491.64	(13.21)	478.44
	1,545.26	(13.21)	1,532.06
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	3,445.36	(3,200.00)	245.36
b) Deferred tax liabilities (Net)	108.68	(5.91)	102.77
c) Other non-current liabilities	-	-	-
d) Provisions	-	11.98	11.98
	3,554.04	(3,193.93)	360.11
Current liabilities			
a) Financial liabilities			
i) Borrowings	1,199.59	3,200.00	4,399.59
ii) Trade Payables	3,976.79	-	3,976.79
iii) Other financial liabilities	-	68.02	68.02

NOTES TO THE FINANCIAL STATEMENTS

Particulars	IGAAP	IND AS	Ind AS
	As at 31 March, 2017	(adjustments)	As at 31 March, 2017
b) Other current liabilities	648.18	(68.02)	580.16
c) Provisions	32.00	(11.98)	20.02
	5,856.56	3,188.02	9,044.58
Total Equity and liabilities	10,955.86	(19.11)	10,936.75

Reconciliation of total comprehensive income for the year 31st March 2017

Profit & Loss for the period ended 31st March 2017

	Particulars	IGAAP	IND AS	Ind AS
		As at 31 March, 2017	(adjustments)	As at 31 March, 2017
I	Revenue from operations	9,125.51	815.51	9,941.02
II(a)	Other Income	3.71	-	3.71
II.(b)	Other Gains/(losses)-net	14.68	-	14.68
III	Total income(I+II)	9,143.90	815.51	9,959.41
IV	EXPENSE			
	Cost of material consumed	5,851.37	-	5,851.37
	Change in inventories of finished goods, stock in trade and work -in-progress	(51.06)	-	(51.06)
	Excise Duty	-	815.51	815.51
	Employee benefit expense	133.17	5.45	138.62
	Finance costs	556.75	-	556.75
	Depreciation and amortisation expense	94.22	-	94.22
	Other expenses	2,528.39	4.16	2,532.55
	Total expense (IV)	9,112.84	825.12	9,937.96
V	Profit/(loss) before exceptional items and tax (III-IV)	31.06	(9.61)	21.45
VI	Exceptional items	-	-	-
VII	Profit/(loss) before tax (V-VI)	31.06	(9.61)	21.45
VIII	Tax expense:			
	(1) Current tax	14.12	-	14.12
	(2) Deferred tax	(4.04)	(2.97)	(7.01)
IX	Profit/(loss) for the period from continuing operations (VII-VIII)	20.98	(6.64)	14.34
X	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss	-	5.45	5.45
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(1.68)	(1.68)



NOTES TO THE FINANCIAL STATEMENTS

B	(i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	Total Comprehensive Income X(A+B)	-	3.77	3.77
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	20.98	(2.87)	18.11
XII	Total Comprehensive Income	-	-	-

Profit & Loss for the period ended 31st March 2017

Particulars	31 March, 2017	01 April, 2016
Total equity (shareholder's fund) as per previous GAAP	1,545.26	1,524.28
Adjustments:		
Retained Earnings- Opening	(10.33)	
Provision for expected credit losses on trade receivable	(4.16)	(14.95)
Tax effects of adjustments	1.29	4.62
Total Adjustments	(13.20)	(10.33)
Total equity as per Ind AS	1,532.06	1,513.95

Reconciliation of total comprehensive income as at March, 2017

Particulars	31 March, 2017
Profit after tax as per previous GAAP	20.98
Adjustments:	
Provision for expected credit losses on trade receivable	(4.16)
Remeasurement of post-employment benefit obligations	
Tax effects of adjustments	1.29
Total Adjustments	(2.88)
Profit after tax as per Ind AS	18.11
Other Comprehensive Income	-
Total Comprehensive Income	18.11

NOTES TO THE FINANCIAL STATEMENTS

Impact of Ind AS adoption on statement of cash flows for the year ended 31 March 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	158.09	-	158.09
Net cash flows from investing activities	(107.14)	-	(107.14)
Net cash flows from financing activities	(99.14)	-	(99.14)
Net increase/(decrease) in cash and cash equivalents	(48.19)	-	(48.19)
Cash and cash equivalents as at 01 April 2016	81.42	-	81.42
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents as at 31 March, 2017	33.23	-	33.23

Note:

Due to first time adoption of IND As Trade receivables have been impaired as IND As 109 "Financial Instruments" requires the impairment to be carried out with effect from transition date. Accordingly Trade receivables have been Impaired by Rs 14.95 Lakhs on 1st April 2016, Rs 19.12 Lakhs on 31st March 2017. IND As Figures have been regrouped & re-classified according to the requirement.

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For **B Y JATANIA & CO.**
Firm Regn. No. 0311010E
Chartered Accountants

Devendra Prasad Jajodia
Managing Director
(DIN : 00045166)

Tushar Kanti Sarkar
Chief Financial Officer

CA Yaswant Kumar Jatania
Partner
Membership No. 050031
Place : Kolkata
Date : May 15, 2018

Seema Chowdhury
Company Secretary



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